Daily Report

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FBIS-LAT-89-124 *29 June 1989*

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Honduran President Announces New Summit Date

PA2806224789 Panama City ACAN in Spanish 2115 GMT 28 Jun 89

[Excerpt] Tegucigalpa, 28 Jun (ACAN - EFE)—Honduran President Jose Azcona told U.S. Democratic Senator Christopher Dodd today the fifth Central American presidential summit will be held in August, rather than 14 - 16 July as had been announced previously.

Dodd, who met with Azcona today to discuss the next Central American presidential summit, economic issues, and other Central American affairs, expressed his support for the Honduran president's proposal.

Azcona first proposed holding the summit 7 - 9 July and then 14 - 16 July, but Daniel Ortega, his Nicaraguan counterpart, could not attend; therefore, Ortega proposed holding the summit 28 - 30 July.

Azcona now is proposing to hold the summit in early August, which coincides with the 2d anniversary of the Esquipulas II peace agreement signed on 7 August 1987.

Dodd told the press he will meet with Daniel Ortega tomorrow and will talk to him about the new date proposed by Azcona. [passage omitted]

Postponement of Minister's Meeting Possible

PA2906003589 Hamburg DPA in Spanish 2309 GMT 28 Jun 89

[Text] San Jose, 28 Jun (DPA)—Costa Rican Foreign Minister Rodrigo Madrigal Nieto has said that "the climate is not right for a meeting of foreign ministers in Guatemala next week."

Madrigal Nieto said: "There are problems between Honduras and Nicaragua as a result of the charges filed by Nicaragua against Honduras at the International Court at The Hague."

He added: "It is well known there is friction between the two countries as a result of statements made by Nicaraguan Foreign Minister Miguel D'Escoto."

Madrigal Nieto also noted that two circumstances conspire against the meeting of foreign ministers: The Salvadoran foreign minister has only just begun his term of office, and the Guatemalan foreign minister is a member of the OAS commission that is studying the Panamanian situation.

The last meeting of Central American foreign ministers was held in San Jose in March. Since the foreign ministers compose the executive commission, they must meet to prepare the agenda for the presidential summit.

Meanwhile, Costa Rican President Oscar Arias said the meeting of Central American presidents will take place sometime around the 2d half of July.

Cuba

Reportage on, Reaction to Ochoa Hearing

Officers Testify

PA2906134789 Havana Cubavision Television in Spanish 0030 GMT 28 Jun 89

["Excerpts" of witness testimony at the Cuban Revolutionary Armed Forces (FAR) Military Honor Tribunal, presided over by Division General Ulises Rosales del Toro, Military Honor Tribunal president, and in which Division Generals Jesus Bermudez Cutino and Ramon Pardo Guerra are acting as secretary and member respectively, to adjudicate the case of Division General Arnaldo Ochoa Sanchez; date and place not given—recorded]

[Text] [Unidentified announcer] The Cuban television news department now presents excerpts of statements by witnesses who have been appearing before the FAR military court of honor analyzing the conduct of Div Gen Arnaldo Ochoa Sanchez. Colonel Antonio Rodriguez Estupinan was aware of the illegal commercial activities being carried out by a group of officers in Angola and kept in contact with them. He was looking for an opportunity to engage in the purchase and sale of diamonds, and even had a portable kit for examining diamonds. Col Rodriguez Estupinan answered directly to Gen Ochoa.

[Rosales del Toro] Witness, you are in the Honor Tribunal that is analyzing the charges issued against Div Gen Ochoa Sanchez. Your testimony must adhere strictly to the truth, to clearly establish the facts being reviewed in this hearing. The first question we want to ask you is: What missions were entrusted to you by the chief of the military mission? What were your duties? Were the goals of your missions explained to you?

[Col Rodriguez Estupinan] Excuse me.

[Rosales del Toro] Come closer.

[Col Rodriguez Estupinan] During the first half of August [corrects himself] October 1988, Comrade Div Gen Ochoa entrusted me with a task, following an analysis with the comrades of UNECA [Union of Caribbean Construction Enterprises]. There were no kwanzas [Angolan currency] to build airports in Catumbela and Cabo Ledo, so it was necessary to get the kwanzas, about 500 million, that were needed to start the project.

Therefore, he told me to contact Comrade Captain Llicas [Jose Llicas Papadedis] and check the possibility of selling sugar and other products on the local market, meaning the black market [candonga]. I contacted Comrade Captain Llicas; the general gave me and Captain Llicas the mission of selling sugar on the local market of Luanda. Captain Llicas was supposed to turn over the results of the sale to me. The general also instructed me to tell General Julio Fernandez, chief of the mission's rear guard, to give the comrades of the MININT [Ministry of Interior] 100 tons of sugar.

The comrades [corrects himself] Comrade Gen Julio Fernandez made the delivery; the MININT comrades picked up the sugar in two trips to the mission's central warehouses; then the sugar was transferred to warehouses in Luanda. The sugar was put in two containers; Comrade Llicas had the keys to the containers. That is how the sugar sales began. Every night Captain Llicas would drive his Toyota van to the MININT warehouses and take 20 or 30 bags of sugar. After several days, after he had sold approximately 5 tons, about 100 bags, he would give me the money—$2,000, $3,000, sometimes more, because there were days when he would make two payments.

The money I received was put in a manila envelope, which was placed in one of the drawers of Comrade Gen Ochoa's dresser, where it was kept. Later on, when we had more or less $17,000, the comrade general took the first amount of money and changed it into kwanzas. In other words, someone was sent to change the money into kwanzas—approximately 25 million kwanzas. The official exchange rate was $32 [corrects himself] 32 kwanzas for $1 but, naturally, the going rate on the black market, was $2,500 [corrects himself] 2,500 kwanzas for $1. The 25 million kwanzas....[changes thought] Three or four days after the money was exchanged it was given to the Special Projects Contingent in (Gama). That was the first exchange we made.

One day Captain Llicas appeared with an uncut diamond. I asked him what it was. He said: It is a diamond. I replied: So what? He said: I know nothing about this, but the Angolan who offered it to me claims it is extremely valuable. He has 15 or 20 more, which he is willing in exchange for 70 or 100 bags of sugar. I cannot recall right now if it was 70 or 100 bags. He said I should take the stone to Comrade Div Gen Ochoa and consult with him. I took it and went to consult with Comrade Div Gen Ochoa. I explained what Comrade Llicas had told me. The general told me: Go ahead with the exchange. The loss, if any, will be minimal.

I told Llicas to make the exchange. He made the exchange. He gave me the diamonds and I delivered them to Comrade Div Gen Ochoa. Div Gen Ochoa gave the diamonds to Patricio—General Patricio—to have them checked to determine whether or not the stones were diamonds.

During one of the first visits by 1st Lt (Ferrin), Patricio gave him these stones so that he would take them to Colonel Tony [Antonio de La Guardia] to establish whether or not they were real diamonds. While the sugar was being sold and paid for with foreign exchange, Lt (Ferrin) went to Luanda with a diamond that had already been classified according to size and color. A jeweler saw the diamond, but still the value of the diamond was unknown. Gen Patricio first, then I, and finally Gen

Ochoa were informed that all the stones were real diamonds. None of the stones were fake. Lt (Ferrin) returned with the diamond and, as far as I know, he gave it to Tony. Tony sent the diamond to a European country.

Some time later, when Tony was in Angola, he was informed by the official to whom he had sent the diamond that it was worth between $40,000 and $140,000. Later, Tony returned to Havana and sent Gen Patricio a small device that resembles the remote control devices used for television and video equipment and that can determine if a stone is a diamond or not. It does not provide any other information. It does not classify them according to carats. It just determines whether or not a stone in question is a diamond.

Patricio told this to Gen Ochoa and Gen Ochoa told me to see Patricio to get the device. I went to Patricio's home and he explained to me how the device worked. It was simple. It worked with electricity. A stone was brought into contact with the device. If the device lit up, then we had a diamond; if it did not, then we did not have a diamond. I took the device to Gen Ochoa and explained to him how it worked. He told me to give it to Capt Llica. I went to Capt Llica's house and delivered the device to him. I explained to him how the device functioned in theory only, because that day there was no electricity in Luanda and there was no diamond available either.

Gen Ochoa had a cylindrical bottle he had brought from his home. One day he told Llica and me that, whenever we exchanged sugar for diamonds, to place the diamonds in that bottle. He had that bottle in his desk. Whenever we exchanged sugar for diamonds, Llica would bring me the diamonds and I would place them in the little bottle in the desk where the foreign exchange was kept.

Some time later, Gen Ochoa, either after speaking with Tony, or through Patricio, learned that the diamond was not worth what he had been told it was worth.

In other words, Tony had reported—from what he told me I do not know if he had personally reported this—that the diamonds were not really worth $40,000 or $140,000 but that at the most they were worth approximately $3,000. If they were to be worth more, first, work had to be done on the diamonds so that they would become jewels. Second, the origin of each diamond had to be stated, because a diamond's value and quality are also based on its place of origin. Third, these were very small stones and could not be worked on the way jewels could be worked on. In addition, they were contaminated; in other words, the diamonds contained other substances, because they came from an uncut rock that contained very small stones. Gen Ochoa told me that I should stop the exchange of sugar for diamonds and that I should continue the exchange of sugar for foreign currency. When he gave me this instruction, approximately six or seven purchases or exchanges had already taken place for a total of 130 or 140 small stones.

In the 1st half of November, Gen Ochoa met with the chief of staff of the rear guard and he told him of the authorization we had to obtain money for these airports. We would take some of the surplus products from our unit—products that were not going to be used or stored for emergency use—and trade them at the market. Among the surplus products was wheat flour. There is great demand for flour in Angola, and we had a surplus of approximately 40 tons. Several tons of flour were taken to the market and bartered along with the sugar. We determined, however, that trading flour was not a good idea, because it was exchanged at more or less the international market price. We stopped bartering flour and instead continued bartering sugar.

Another product that was and is greatly in demand in Angola is dried fish. In one of the visits to Benguela, the general proposed to General (Carrion) that he purchase dried fish in Benguela or in Lobito so as to exchange it for kwanzas. He explained the same thing about guaranteeing the construction of the two airports, that of Catumbela in Benguela and that of Cabo Ledo, south of Luanda. Gen (Carrion) took on that task and legally bought approximately 70 tons of dried fish. He sent 50 tons at the end of December 1988 and 20 tons at the beginning of January 1989. Of that amount, approximately 50 tons were actually used. They were exchanged mainly for kwanzas rather than for foreign exchange.

In addition, the comrades who worked for a store that Tony had in Luanda had received a big shipment of rum. We picked up 700 cases of rum to sell. This rum cost us between $12 and $16 a case and was sold at $24 a case. They had also received a large amount of electronic equipment that included different kinds of tape recorders, telephones, clocks, and radios. From these, we took approximately 140 tape recorders, 20 combination tape and record players, and 100 telephones. We also took some slacks they had. In the end, we had to return these things, the tape recorders, because we had received them close to the departure date—in other words, around 5 January—so we had not traded these things.

More or less in December—in December—he also received the money that had been accumulating. In other words, $17,000 had again accumulated. On 9 January, when Gen Colome [Army Corps General Abelardo Colome] arrived with the commission accompanying him, he brought a letter from the FAR minister in which Comrade Gen Ochoa said that he should return with Gen Colome and to leave Division General [Leopoldo] Cintras Frias in charge of the mission.

The general gave me the letter and told me to make arrangements to take with us, that is, to withdraw the comrades who had arrived with him and to get ready to return myself. As the comrades in the Military Honor

Tribunal know, the end-of-mission ceremony [enfunda] took place on the afternoon of 9 January. The mass event in Luanda was held on the 10th, and the first three flights departed after that. The president's operational meeting was held on the 11th, and some of the comrade members of the commission accompanying Army Corps Gen Colome as well as Comrade Gen Ochoa participated.

On the afternoon of the 11th, Gen Ochoa told me that I should stay there a few more days in order to liquidate the sugar business, that is, all pending business, such as the one I had involving the tape recorders, the rum, etc, and to see what assistance I could give to Division General (Pohl). There was, of course, going to be a change in command; I was executive assistant, and even though Comrade General (Sobile) was chief of general staff, there might be some things I could point out.

At this point, Gen Ochoa picked up the bottle containing the diamonds, and I gave him $14,190, which was all the money available at that time. I stayed several more days, of course; that is, until 20 January, when I returned. More or less on the 15th, I received from Gen Ochoa 20 color television sets, approximately 7 audio components [sistemas], and 20 fans on one of the flights. I also received a small note in which the comrade general told me that it was necessary to sell the television sets for at least $700 in order not to lose money. There was no indication as to the price of the fans. He said that I should not rush back because no senior officer was summoning me, only (Llanes).

At any rate, a telegram had been received on the 11th from the chief of the general staff stating that by order of the FAR minister I should present myself at the ministry no later than the 20th to receive new assignments. By the 19th, I had already liquidated the rum to Tony's people, to the people of MININT [Ministry of Interior] who had Tony's store. I had liquidated, delivered, or returned the tape recorders and all that we had been unable to sell, and I had in my possession 20 million kwanzas as well as $14,000. Between the 18th and the 19th, Comrade Llicas gave me an additional $9,000, which made a total of $23,000. I told Comrade Capt Llicas to stay, that I would return the next day, and that he should finish collecting the money for the television sets he himself had sent, the money for the fans, and part of the money for the rum as well as the kwanzas from the remaining fish.

On 20 January, that is, I, pardon me.... [changes thought] Before returning, since the diamond business had already been suspended, and since the general had told me this, I picked up, that is, Llicas brought me the small device, and I returned the diamond-testing device to General Patricio.

I returned on the 20th, and around 22 January, I went to Gen Ochoa's residence and explained to him how the problems had been resolved, how I had delivered 20 million kwanzas and how I had left Llicas in charge of putting up the remaining 10 million for a total of 30 million kwanzas, selling the television sets—which were sold to (Casa Tri)—and picking up the money.

I went to Gen Ochoa's residence and gave him the $23,000 that I had. I left his residence afterward. Capt Llicas arrived on 31 January. I met him at the airport. There he gave me $24,300 or $24,400; I do not remember exactly how much. On either 3 or 4 February, I went to Gen Ochoa's residence, explained to him what I have just said and what Comrade Llicas had told me, and delivered approximately $24,000 to him. Gen Ochoa gave this money to Captain Martinez, who was at the general's residence that day. A noncommissioned officer, (Paparios), was also at the residence.

I asked him [not further identified] about the trip to Oriente. We talked about the trip to Oriente, about them not reaching Oriente and only getting as far as Camaguey, I believe, and he asked about the health of my daughter who, at that time, had been admitted to the Tropical Medicine Institute. We had coffee and then I left. This is what I can state.

[Rosales del Toro] Colonel, based on the duties you were assigned prior to becoming an aide to Gen Ochoa, on the knowledge you have of FAR procedures, specifically about how money and foreign exchange are managed, and on your knowledge that the Armed Forces have channels through which financial operations are managed, didn't you ever find these irregular activities strange?

[Rodriguez Estupinan] Not really, chief. I never found these activities strange because all this happened after Gen Ochoa had left. The money was being changed, was being used for what it had been allotted. It never crossed my mind, I could never have imagined that a comrade like Gen Ochoa could have been involved in those activities without authorization.

[Rosales del Toro] Why, if you visited the FAR on several occasions and had contacts with the secretariat and the minister, why, if you know Cuban working principles, did you never report a thing about diamonds, dollars, and personal activities?

[Rodriguez Estupinan] With your permission, my visits did not begin until October 1988, and things happened before October. I came in December, but I had no contact with the secretariat.

[Rosales del Toro] But you had contact with [words indistinct] in Luanda.

[Rodriguez Estupinan] Yes.

[Rosales del Toro] Why did you never comment on this? Does anyone here have any questions for Col Antonio Rodriguez?

[Division General Gustavo Chui] As you said earlier, with the work experience that Col Antonio has with the 10th division, he knows that those deals were not and are not authorized. In the event that Gen Ochoa had been authorized to act, Col Antonio's duty was to clear up the situation and either advise Gen Ochoa or find out from him what the situation was. The questions you have asked him [2-second break in reception] regarding those deals, because it is impossible that we could be making this kind of deal in Angola, selling things on the black market—sugar, diamonds—and carrying out improper activities. I want to know what advice Antonio gave to Gen Ochoa, what he should have discussed with Gen Ochoa, because this is an improper situation.

[Rodriguez Estupinan] I did not give him any advice. He gave me a task and I felt motivated to tackle it.

[Rosales del Toro] I understand that you were called on by the minister and that he asked you to cooperate. Let us suppose you believed that what you had been doing was legal. I ask you to explain why if the minister called you and asked you to cooperate, to speak up, you still failed to say a word about what we are now discussing?

[Rodriguez Estupinan] Yes, comrade general. The FAR minister called me and told me about this, as you have said. He told me that he was not interested in ordering an investigation. I told him that I would report everything. I was very confused, because I could not imagine something like this, so I hid the truth; I hid what I knew. I provided some facts, however.

Far more serious than this—and I must state it here for the knowledge of this Military Honor Tribunal's comrades—is that I sent a short note to Col Trutie asking him to cover up the truth after Gen Ochoa asked me if I had been called and I denied it, saying I had not been called. Honestly, this is how I acted.

[Unidentified officer] Did you receive any benefits from participating in these transactions?

[Rodriguez Estupinan] No, chief, I did not. I did not receive any benefit.

[Officer] General Lino [Carreras Rodriguez].

[Carreras Rodriguez] I am General Lino. If I understood you correctly, Colonel, you stated that you sent a note to Col Trutie asking him to cover up or to lie if he were asked. What were Trutie's links to the business of [words indistinct]? I want to know—if you did not inform MINFAR [Ministry of the Revolutionary Armed Forces], if you were not clear when you reported to the minister, and you were not clear with Ochoa either—why did you send a note to Comrade Col Trutie asking him not to say anything if he were questioned? [Words indistinct].

[Rodriguez Estupinan] The note was not sent because he was going to be questioned. I sent a note to Col Trutie explaining the situation. I, more or less, stated in my note that Comrade Gen Ochoa had been called but did not add that I had been called and expected to be recalled. I said everything was out in the open and everything we did was known; I also asked him to cover up the truth. What I say now is the truth and I acknowledge it.

[Garcia Fernandez] I am Division General Rigoberto Garcia Fernandez. How is it that you did not tell the truth when you met with the minister, who asked you to tell the whole truth? Why did you hide it if, according to what you have stated here, all you did was quite normal and apparently in order? Why did you not tell the minister all this?

[Rodriguez Estupinan] I, Comrade General, truly cannot even explain it to myself.

[Garcia Fernandez] Why did you write Trutie a note asking him to hide or cover up the truth if all your actions, as you have stated them here, were totally correct and normal?

[Rosales del Toro] Comrade Secretary, please withdraw this witness and call the second witness.

[Announcer] Under Gen Ochoa Sanchez's orders, Colonel Rafael Morales Velasquez headed a group of officers for a while in Luanda. The mission given to these officers was to obtain freely, convertible currency through illegal business transactions.

[Rosales del Toro] Col Rafael Morales Velasquez, you are a witness in the Military Honor Tribunal. The tribunal is studying the charges presented against Division Gen Ochoa Sanchez to establish the facts that occurred. During this hearing, your statements must adhere strictly to the truth. As president of the Military Honor Tribunal, I am going to ask you a number of questions. First, tell us who gave the instructions and the plan to start and develop business transactions. What were the measures that had to be taken to initiate the business and what were the functions and tasks of each comrade during your stay in Angola?

[Morales Velasquez] During the last week of April 1988, approximately between 23 and 30 April...

[Rosales del Toro, interrupting] Speak a little louder so the comrades can hear you.

[Morales Velasquez] Some time around 23-30 April 1988, Gen Ochoa called me to his office and told me a work group tasked with obtaining freely, convertible foreign exchange for Cuba had encountered some problems. The group had sold trucks, coffee, etc, directly in the streets, which had created problems with the Angolan police and people. Because of this problem, Gen Ochoa

decided to disband the group and give me the responsibility of obtaining foreign exchange for Cuba. The following are the approximate guidelines I was to follow in my mission:

We should not get into any retail business, because of the previous experience, and only dedicate ourselves to wholesale business. My task did not include obtaining the merchandise—mostly foodstuffs—to be sold.

He was going to personally take care of it in the rear guard, adding that he was already trying to obtain a shipment of sugar from Cuba. He said the merchandise was mostly food, sugar, salt, etc. Thus, our mission was to organize a group of comrades to explore the market and check its prices to sell our products. The results of our studies were to be brought to him, and he would decide what to do after that and whether or not we would proceed to sell the products.

His third directive was to have me continue in my post as the mission's deputy chief of staff. I was subordinate to the chief of staff commander and had to comply with all the obligations of my position. However, he stated that for this particular task, I was going to be directly under him.

Through an Angolan construction worker who has been providing the mission with ceilings for a long time, Lt Col Morejon arranged for us—himself and me—to meet three or four times with two or three Angolans to try to sell sugar, salt, and some other food products.

Some time around June, Gen Ochoa asked me to look into the possibility of selling oil and sugar in Punta Negra, basically. He told me that Comrade Iglesias, the mission's official purchaser in Punta Negra, could help me with that task.

I talked with Comrade Iglesias. I told him about the task I had been assigned. He knew about it already. He told me that a Frenchman whose last name is Baurou had done business with him. He had bought electric appliances such as record players and others. He told me that I could establish contact with this man if someone in Punta Negra wanted to buy oil or sugar. He brought me a reply later on. He told me I could talk with a Frenchman whose last name is (MacBocosa) through (Garan) [not further identified] and that I could meet with the Frenchman in approximately a week.

I passed the information on to Gen Ochoa. He told me it was fine. I asked him how I should proceed from that point. He told me I should tell the Frenchman that the merchandise we were selling was a surplus that our mission had in Angola and that we were interested in recovering the money, because our country needed it.

I went to Punta Negra. I met with (MacBocosa) and told him what Gen Ochoa had told me. He said he had no money for that. He said his headquarters was in France and was headed by a Frenchman with the surname (Bauru). He told me he would speak with (Bauru), who was the wholesaler, that (Bauru) was scheduled to go to Punta Negra in 1 or 2 weeks, and that I could either meet with him or talk to him on the phone about the deal then.

Upon my return to the mission, I informed Gen Ochoa of my conversation with (MacBocosa). I then waited for Comrade Iglesias to get in touch with me again.

Approximately 1 or 2 weeks later, (MacBocosa) called us. I went t Punta Negra and talked with (Bauru) over the telephone. He knew all about the business. We discussed prices, possibilities, etc. He told us he had no resources in Punta Negra to get involved in such a venture but that he had large businesses throughout Togo and Benin and that we could settle the deal there. He said the venture could be settled there. (Bauru) added that if for some reason the transaction could not be settled in Togo and Benin, it would be done at sea.

I returned and informed Gen Ochoa. He told me to wait. He waited some time. We waited for 1 or 2 weeks. There was no response. During those weeks, the mission's purchaser told us there was an opportunity to sell the sugar and oil to the niece of a Congolese oil minister. I informed Gen Ochoa about that and told Comrade Iglesias to let us know about any new developments. I told him we would not go there. I told him to let us know whenever he was sure there were possibilities for that sale. That opportunity fell through. The Frenchman had not responded either. I informed Gen Ochoa, who told me to forget the venture and stop making any efforts in that regard.

Some time around July, Gen Ochoa told me to go to Punta Negra and find out about selling wholesale cuts of beef. I told our purchaser to check into the possibility of selling meat in Punta Negra. One or two week later, he gave me the owner of a cold-storage plant, whose name I cannot remember, who was interested in the venture. I informed Gen Ochoa of this. I traveled to Punta Negra. I went to the cold-storage plant and met with this Frenchman. We toured the plant, and he showed me that he had too much meat there and that the deal was not profitable for him at the time. He said we could do business officially if we reached an agreement with customs. He said that he could get all the legal documents that were needed. He was aware that the meat was from Cuba.

To this effect, he told me that although he had an ample supply, he wanted me to send him some samples of the meat—forequarters and hindquarters—so that he could determine if it was advisable for him to do some business with us. I reported this to the general, and we sent him the samples. We did not conduct any business, because this man said that it was not a good business deal for him, for he already had an ample supply and the meat was not of good quality.

At about that time, he also talked to me about the possibility of selling dried fish. We sent him some samples, I asked (Eumelio) to prepare a sample of dried fish and send it over there, or rather the buyer took the sample. As of that time, he apparently went through some negotiations, and he sent me a response, saying that there was no chance of making a deal, because the dried fish was of low quality and that there was better quality fish in Punta Negra.

[Rosales del Toro] Colonel, how did the diamonds and ivory business get started?

[Morales Velasquez] I do not remember exactly. I do not know if it was Llicas who came up with the idea of dealing with diamonds, or if it was Gen Ochoa who brought it up. I do not remember exactly how, but I do remember that I told him that there were possibilities for [word indistinct], as Llicas told me, through a Luanda merchant, trading diamonds for beer cans, or something like that. Llicas later said that we had to go in a military plane, and so forth. I reported this to Gen Ochoa, and it was decided that nothing should be done.

About the ivory, I did not learn anything directly about this. If you wish, I will tell you all that I know. On one trip, when I went to Punta Negra to do another type of work—having to do with my regular mission—Colonel Trutie and I arrived at the same time. I saw him load some boxes on the plane, but he did not tell me anything. We disembarked that night in Luanda, and we went together in the same vehicle to the chief of mission's office. I reported to the general on the matters I had to discuss with him, and before I left, Ochoa asked him about the ivory. Col Trutie told him that he had brought a certain amount—I recall there were from six to eight boxes—and he explained how he had purchased it, that is, in the Congo through some businessmen; I think that is what he said.

They discussed prices and mentioned that carved ivory was more expensive than uncarved ivory; they mentioned where the carving was best, whether in India, the Congo, if it was more fine or less fine, and the prices per kilogram; but I did not learn about this in-depth, so therefore that is the only thing that I can tell you about this.

[Rosales del Toro] During all of these negotiations, there were visits by foreigners who became involved in the mission and used our houses. Can you tell us about this?

[Morales Velasquez] On one occasion, Gen Ochoa told me that there was a Bedouin, as he called him, but I think he was Jewish. I do not recall his name. He never talked about what this man did, but he did say that he was a very important businessman, and that he might come to Angola—that he would come a few days later.

In view of my responsibilities as deputy chief of the general staff, I took care of the temporary quarters. He told me that he and a group of comrades would stay in those houses for a certain length of time. I sent the chief of the administrative staff to check over the house, to set them up there, and to provide them with everything they needed to enable them to stay in house number two. About a week later, I went there with the chief of the administrative staff to check the condition of that house. When I arrived, I found that there were still people staying there. I asked the comrade in charge of the house how many comrades were staying there, and he told me that there were five, but that two were unaccounted for. Those two were not there, the house was dirty, there were a lot of cigarette ashes, and so forth. We used to take good care of those houses. I asked him who had been in the main bedroom, and he told me that it had been a man named Tony.

I concluded that it was Tony La Guardia. I also concluded that the aforementioned Jewish man had therefore never been at the house. I believe that I took some steps—I do not remember exactly what—with other comrades to tell them that the Cuban comrades who were there were not the same people Gen Ochoa had told me should be taken out and relocated elsewhere. If they were to stay longer [words indistinct]. That is what I know about this.

[Rosales del Toro] Was there any procedure to handle these finances? Do you know anything about this?

[Morales Velasquez] A procedure had been organized a long time ago by the finance section. It was located at the store and the cafeteria in house number three. The group that had dissolved had taken care of that activity. Comrade Milvia and the accountant working in that group continued to take care of this economic activity and withdrew the money using the same procedures. Once I reached an agreement with the mission's financial officer to use the same procedures established in the mission for all financial activities, since this was a normal business operation. The financial officer, Comrade Milvia, and the accountant for that group organized the work so that the business would be run like a store because, in sum, the conditions existed to do this.

Considering what Capt Llica did, it did not seem to us.... [changes thought] Moreover, Gen Ochoa and I once had a conversation in which he proposed something to which I agreed. Llica's case was very difficult. Therefore, we had to trust the comrades. We actually did not know Llica very well, but we knew that he was a comrade who had been sent down by the chief of staff to fulfill his mission. I therefore agreed that it was not necessary to set controls to monitor his work. In addition, it would have been impossible to have implemented some kind of control because.... [changes thought] He is actually very good at making purchases on the Angolan retail market, such as buying products for the plane, for the house, exchanging currency, buying in kwanzas, exchanging currency into dollars. In other words, it was not feasible in the least at that time. This is what I understand from what Gen Ochoa told me. I agreed that in this case the

procedure was as follows: Capt Llica handed the money over to me; we prepared a voucher, which we both signed. Milvia also handed the money over to me; we also prepared a voucher, which we both signed. At the beginning, Gen Ochoa told me that the money should have been delivered directly to the secretary in his office, a comrade named Marta. I handed the money over to Marta and prepared vouchers for both our signatures. Then Gen Ochoa toid me that we should hand the money over to the finance section. We handed the money over to the finance section and also signed vouchers. That means that there were two ways to receive and to withdraw money.

I was in charge of collecting and delivering the mo..ey. In July, Comrade Ochoa told me that another comrade was coming, a comrade he had requested a long time ago, who should be a reliable comrade with some knowledge of accounting. She could therefore keep the accounting records. My conclusion is that perhaps he was not thinking about retail businesses but about wholesale businesses. The comrade arrived, and the command assigned her as my secretary and in charge of these controls. Therefore, during this part of July, before I traveled to Cuba on vacation, the money was handed over to the secretary in my presence; she was the one who counted the money and prepared the vouchers. The vouchers actually exist.

[Rosales del Toro] Morales, is there any information on the money being kept at the house for a certain period of time?

[Morales Velasquez] Well, before this comrade was assigned to be my secretary, Capt Llica handed the money over to me, at night and at my house, in three installments. I always took the money to the mission the next day and handed it over to any one of the two comrades.

[Rosales del Toro] What about other people in the group, such as Llica? Did they keep the money?

[Morales Velasquez] Of course. I think he kept the money in the house because he was alone. When he had collected some 2,000 or 3,000 [currency not specified], he handed the money over to me.

[Rosales del Toro] What did the Angolans think of this?

[Morales Velasquez] I actually did not have relations with Angolans, except concerning work. I only had relations with three Angolans v hom I met at the beginning to discuss business prospects. I cannot give you further information on that.

[Announcer] On orders from Div Gen Ochoa Sanchez, Col Teudis Trutie Mantilla made contacts in and traveled from Angola and other African countries to carry out commercial activities involving ivory, wood, and cement.

[Rosales del Toro] Col Trutie Matias: As a witness of the Honor Tribunal, which is studying charges leveled against Div Gen Ochoa Sanchez to better clarify the events that are being aired at the hearing, you must strictly adhere to the truth. I will pose several questions to you. The first: When did you become involved in commercial operations and what did Div Gen Ochoa tell you about your duties and objectives?

[Trutie] Around March, Ochoa told me that in view of the country's economic problems, there was a need to obtain money to upgrade living conditions. That was in March 1988.

[Rosales del Toro] Who did you contact to obtain ivory and where?

[Trutie] In the Congo, with a UNECA [Caribbean Construction Enterprises Union] comrade, Eliodoro Rodriguez, who represented a company in the Congo for approximately 2 years; I also contacted a Congo native named Pablo, who studied here and earned his agricultural engineering degree.

[Rosales del Toro] How many ivory shipments were made as a result of these purchases and what were the destinations?

[Trutie] About three shipments were sent to Luanda.

[Rosales del Toro] How much is that?

[Trutie] I remember about 10 or 12 carvings and other unfinished pieces. I do not recall exactly how many kilograms that was. It could have been 200 or 300 kg.

[Rosales del Toro] Did you know what the objective of this business transaction was?

[Trutie] I understood the objective to be to obtain money or foreign currency to upgrade our mission's living conditions; that is what I thought.

[Rosales del Toro] Who told you that?

[Trutie] Gen Ochoa did.

[Rosales del Toro] Were you involved in the business to purchase high-quality lumber?

[Trutie] Yes.

[Rosales del Toro] What did that business consist of?

[Trutie] In June, I believe, the Cuban ambassador in the Congo said that a new, joint Cuban-Angolan enterprise had emerged following the failure of the Cuban-Angolan lumber enterprise. He said that it could supply the lumber needed by the military mission. This is how this

started. We bought lumber for construction work at the military airport and for certain UNECA projects that were suspended because of a lack of lumber.

[Rosales del Toro] Do you know whether any amount of lumber of this kind was sent to Cuba and why?

[Trutie] We sent 18 cubic meters of sawed mahogany to the Western Army.

[Rosales del Toro] What for?

[Trutie] The objective was to upgrade the living conditions of the Western Army; that is what I was told.

[Rosales del Toro] Who told you that?

[Trutie] Gen Ochoa did. That lumber came aboard a ship that also brought other lumber whose purchase, I understand, was ordered by the commander in chief. He purchased 6,000 cubic meters of lumber that came aboard that same ship that anchored in Punta Negra.

[Rosales del Toro] Did foreign currency change hands in these transactions? Were you aware of this?

[Trutie] Part was paid with Congolese currency and part with some products.

[Rosales del Toro] Does anyone here have any questions for Comrade Trutie Matias?

[Div Gen Ramon Pardo Guerra] Could you tell us whether you knew if other products—besides wood and radio equipment—were sent to the Western Army?

[Trutie] Yes. Let me explain it to you. Some resources, I believe, were sent to the Western Army. However, I am not sure whether they arrived there. With the help of the military mission and Gen Ochoa himself, a small motel for the personnel of the 10th [not further identified] in transit through Luanda was being built. In other words, a motel for the personnel who were going to Mozambique, the Congo, Sao Tome, and other places was being built. Agreements for the construction of the motel were signed. Some furniture had already been ordered for the motel. I told Gen Ochoa that if we were going to leave Angola for good, then there was no point in building that motel, that we could continue lodging people as we had been doing until then, and that the furniture could be sent to Cuba.

[Rosales del Toro] Do you know whether that furniture was sent to Cuba? I also asked you what you knew about other resources besides wood being sent to the Western Army.

[Trutie] I could not say for sure whether those resources were sent to Cuba.

[Rosales del Toro] To whom did you deliver that ivory?

[Trutie] Well, I sent the ivory to house number one.

[Rosales del Toro] To whom did you deliver it?

[Trutie] I did not deliver the ivory to anybody in person. I sent it to the chief of that house.

[Rosales del Toro] Who was the chief of house number one? Did you not deliver documents for that ivory?

[Trutie] No. That ivory came in a box and was sent to house number one.

[Rosales del Toro] Colonel, you know FAR administrative procedures. You are talking about valuable goods. It is logical, we all know that such a delivery goes against the established rules. How is it possible that the ivory was delivered without [word indistinct], without any document accounting for that material?

[Trutie] Comrade General, ivory was usually sent in a sealed box. That box was sent to house number one in a military vehicle.

[Rosales del Toro] General Lezcano.

[Lezcano] I am Brigadier General Carlos Lezcano Perez. Col Trutie, we know that you were sent a note with Col (Antonio) in which you were told to handle matters related to the business conducted in Angola, and you were aware of the ongoing investigation. What was the actual content of the note you received? What were your instructions and what was your attitude in view of the situation?

[Trutie] When I received those orders, I simply.... [changes thought] Let us not forget that at that time I had nothing to do with those businesses anymore. Ochoa had already returned to Cuba. I did nothing else.

[Rosales del Toro] Did you consider the note a normal message?

[Trutie] No, I did not think that the note was normal. I thought that there was no longer any interest in conducting any kind of...

[Rosales del Toro, interrupting] What did the note say exactly?

[Trutie] The note said that from that time on I was not to participate in any type of business activity; you know—the wood business, the cement business, UNECA cement that had been sold, and all that. However, in any case, all those ventures were already settled. Ochoa had returned to Cuba, so all that was over with.

[Rosales del Toro] Did he tell you anything about the discovery of those activities?

[Trutie] I do not recall.

[Rosales del Toro] How aware are you of the fact that irregularities took place?

[Trutie] Right now I am certainly aware that I was doing something wrong. I must be honest and admit that in the past I thought that I was doing something to improve the conditions of our mission in Angola and the national economy.

[Rosales del Toro] Does any other comrade wish to ask something else? All right, you can step down now.

[Announcer] Lieutenant Colonel Arnaldo Morejon Plat, assigned by Div Gen Ochoa Sanchez to the group that conducted illegal business activities. He visited an African country to negotiate the sale of oil and gas for automobiles and aircraft.

[Div Gen Jesus Bermudez Cutino] I call on witness Lt Col Arnaldo Morejon Plat.

[Rosales del Toro] Lt Col Arnaldo Morejon Plat, as a witness of the Honor Tribunal, which is studying charges leveled against Div Gen Ochoa Sanchez to better clarify the events that are being aired at this hearing, you must strictly adhere to the truth. I will pose several questions to you; I ask you to be specific. The first one is: What was the objective of and under whose orders did you contact foreigners of capitalist countries?

[Morejon] To sell products and to obtain money to help the country's economy.

[Rosales del Toro] Who gave you orders?

[Morejon] I personally received instructions from Arnaldo Ochoa Sanchez.

[Rosales del Toro] What did he specifically say to you?

[Morejon] He told me in almost these words that these operations had been authorized by the FAR minister and the commander in chief, that nobody would take anything home, and that all the money collected would be used to help resolve our country's economic problems.

[Rosales del Toro] What foreigners were contacted and from which countries?

[Morejon] Some French citizens in the Punta Negra area, Angolans doing business in Luanda, and Swedes.

[Rosales del Toro] What kinds of transactions were made?

[Morejon] Actually, we began some transactions, but none was ever completed.

[Rosales del Toro] What transactions were made?

[Morejon] In Punta Negra, the objective was to sell fish and meat; in Luanda we dealt with some Angolan businessmen and Swedes to sell these and other food products and certain beverages.

[Rosales del Toro] Were you aware of other contacts with capitalist foreigners for this kind of business venture, even if you were not directly involved?

[Morejon] No.

[Rosales del Toro] How many houses were you ordered to remodel or build and who issued the orders?

[Morejon] I was ordered to remodel, build onto, and furnish four houses: two in Luanda, one in Luangue, one in Namibe, and four other houses in the (Musulu) Pensinsula. [numbers as heard] We asked Angola for permission to build the (Musulu) Peninsula houses to provide pilots with a place to rest.

As for the houses—not the (Musulu) houses, but the other houses—they were completely repaired and refurbished with furniture purchased in Punta Negra. We spent between $80,000 and $100,000 to furnish those houses and some $20,000 to furnish the (Musulu) houses. All that money came from an allotment given by the Congo to the Punta Negra tactical group.

[Rosales del Toro] Do you know what those houses were really used for?

[Morejon] I believe that they were underused after being repaired; those houses were completely underused. That was an unnecessary expenditure.

[Rosales del Toro] What kind of repair work was done to the Los Cocos house?

[Morejon] The Los Cocos house contains a small primary school for Angolan children. Colonel Bueno was assigned to ask the municipal police inspector to get the school out of there. After this step had been taken, one of our construction brigades repaired almost the entire house, which was in very poor condition. Afterward, we completely furnished it with top-quality furniture and equipment, that is, expensive things.

[Rosales del Toro] What was that house used for?

[Morejon] That house was among those that were completely underused.

[Rosales del Toro] You never saw it occupied?

[Morejon] No, because we withdrew our personnel from those houses once we finished repairing and furnishing them.

[Rosales del Toro] Repeat the costs you mentioned related to the repair work.

[Morejon] Over $80,000 was paid to repair the houses, not the houses at (Musulu). The houses at (Musulu) are beach houses, and repairs were less expensive—approximately $20,000. I believe that approximately $100,000 was used for repairing all of the houses.

[Rosales del Toro] Do you know of any investments made for buying recreational boats or something like that?

[Morejon] Yes, there were two boats in house number one.

[Rosales del Toro] Where did they come from?

[Morejon] I have some information on that, although I did not participate directly. However, I was told that they were purchased in Punta Negra.

[Rosales del Toro] What do you think of these expenditures?

[Morejon] I think that such purchases were unnecessarily extravagant. There was really no need to do all that. We were told that the houses were going to be used by many delegations visiting from Cuba and traveling to Luanda and other places in Angola in light of the troop withdrawal. We were told that the purpose of those houses was to house the commissions and delegations that would come from Cuba to work on the troop withdrawal.

[Rosales del Toro] Do you have any questions to ask the colonel, the lieutenant colonel? Division General Fernandez Gondin, go ahead.

[Fernandez Gondin] Lt Col Morejon, tell us about the type of relations you had with the Angolan of Zairian origin known as (Bayin).

[Morejon] There was an Angolan who had been trading for many years with the Cuban military mission in Angola. He is a merchant who sells quite a variety of products, such as construction material. He owns a company in Luanda that builds roofs. He was widely used by the section in charge of constructing housing for the troops, as well as by other institutions and mission sections involved in such projects. He was also used for the purchase of equipment, such as air conditioning and so forth. He continuously made sales to the Cuban military mission in Angola—that is, he had business with us throughout the years, not just in the past 2 or 3 years, but years ago. This Angolan kept in close contact with the military mission, carrying out projects for them and selling goods to them.

[Unidentified speaker] General Gondin.

[Fernandez Gondin] Morejon, explain to us what you received from him, how you distributed goods that you received from this Angolan. Expand on your relations with this citizen.

[Morejon] This citizen gave me musical equipment. When he gave me the equipment, I reported this and asked what I should do with the equipment. I was told to receive and to keep the equipment. That was first. Later on, that citizen gave me 2 million kwanzas, which were used to buy two video recorders. One of them was given to Morales, to Col Morales. I kept the second one. The relevant authorities were not told about this.

[Unidentified speaker] Why?

[Morejon] It was negligence. They were not told about this.

[Unidentified speaker] Just negligence? What is your idea of negligence?

[Morejon] I believe that this was a serious weakness on our part.

[Unidentified speaker] Brigadier General Filiberto Olivera.

[Olivera] Through whom and why, Morejon, did this man give you 2 million kwanzas? He must have had some basis for doing this, something [words indistinct] about you to give you the 2 million kwanzas.

[Morejon] Regarding this, I can tell you that this is a citizen who, as a result of his business deals—in other words, as a result of the business transactions he has with the mission—earns huge sums of money. He simply gave me those 2 million kwanzas. He is a citizen, a man who actually makes millions of kwanzas from his work at the diplomatic mission.

[Unidentified speaker] Was he among those who benefited from the investments made in the houses?

[Morejon] No. No, because the houses were repaired by one of our brigades and all of the equipment and furniture was bought in Punta Negra.

[Rosales del Toro] What was the reason for that close relationship, in which one of the persons involved even gave away large sums of money?

[Morejon] The reason is precisely what I said before: He obtained large profits from the work he did at the mission.

[Rosales del Toro] Why did he give those gifts to you and not to others?

[Morejon] Well, because one of the persons who needed his services the most was precisely the construction area. [sentence as heard].

[Rosales del Toro] In other words, you handled the mission's basic contracts?

[Morejon] Yes, we handled them.

[Rosales del Toro] General Schueg.

[Schueg] General Schueg Colas. Morejon, you said the money was used to buy two video machines. You kept one and the other you gave to [name indistinct]. Why this, let us say, exchange of gifts between you two?

[Morejon] Because it was through Morales that we bought those video machines.

[Rosales del Toro] Was Morales your boss?

[Morejon] Yes, he was.

[Unidentified officer] General Pujols.

[Pujols] There are several things I do not understand. Colonel, you said you received 2 million kwanzas, and now you just told Gen Mesa that this equipment was not bought there but in Cuba. Into what currency did you convert the kwanzas? Into Cuban currency, into dollars, or into those little video machines?

[Morejon] The 2 million kwanzas were converted into dollars. The money was sent to Col Morales, and Morales bought the video machines.

[Rosales del Toro] How did you exchange the kwanzas for dollars?

[Morejon] There in Luanda.

[Rosales del Toro] But how, how?

[Morejon] In the market, in the black market.

[Rosales del Toro] How did you exchange the money?

[Morejon] You can change kwanzas for dollars there.

[Rosales del Toro] But through whom? What connections do you have there?

[Morejon] We exchanged that money through middlemen.

[Rosales del Toro] Who were those middlemen?

[Morejon] Angolan citizens

[Rosales del Toro] So the money exchange was conducted directly between you and Angolan citizens?

[Morejon] Yes.

[Rosales del Toro] Not through the man who gave you the 2 million kwanzas?

[Morejon] No.

[Rosales del Toro] How much did you get for the 2 million kwanzas?

[Morejon] They gave me $800.

[Rosales del Toro] General Gondin.

[Fernandez Gondin] Div Gen Fernandez Gondin. Lt Colonel Morejon, what did you know about Gen Ochoa's intention to set up a business in Angola along with a Panamanian of Jewish origin?

[Morejon] Yes, I knew about that. In fact that was discussed during one of the meetings we held periodically in the mission with the mission chief to check on the work that was being done. We were instructed to find a few houses or storefronts in Luanda to set up that business. That project was not realized because we could not find any houses or storefronts.

[Rosales del Toro] Did he talk specifically about what kind of business he was planning to set up?

[Morejon] Well, it was a business to sell clothes, beverages, and food products. The idea was to have a Panamanian business as a front.

[Announcer] Lt Col Onelio Perez Rivera. On instructions from Div Gen Ochoa Sanchez, Perez led a group of officers who conducted illegal business activities.

[Rosales del Toro] I am going to ask you a few questions on behalf of the tribunal. I ask you to be as thorough as possible in your answers. Here is the first question. When and on whose instructions did you become involved in business activities?

[Perez] I began approximately between 15 and 20 February and on instructions from Gen Ochoa.

[Rosales del Toro] What were the specific orders you received?

[Perez] I was instructed to organize a group that we called the special group. The mission of that group was to organize supplies for Cubana de Aviacion, to organize commercial activities and food supplies for house No 3, to open a small store in (Beznozol), to promote the sale of sugar in the local market, and to try to investigate the possibility of opening stores in several major Angolan cities.

[Rosales del Toro] How much time did you invest in the organization of those activities, and how often did you and Div Gen Ochoa Sanchez send out shipments?

[Perez] I worked full-time in the organization of these activities. Gen Ochoa and I sent out approximately four or five shipments every week.

[Rosales del Toro] What was the prevailing military situation at the time in the Peoples Republic of Angola?

[Perez] When I started the business activities, I recall that the South African troops and the puppet UNITA [National Union for the Total Independence of Angola] troops had broken the defense of the 21st and 50th Brigades in the south. There were large numbers of troops deployed and great tension. There was fighting almost every day in the south.

[Rosales del Toro] How long were your meetings with Gen Ochoa?

[Perez] Between 1 and 2 hours.

[Rosales del Toro] You stated previously that the meetings were held 3 to 4 times a week?

[Perez] Yes.

[Rosales del Toro] Why did you go to Havana in April?

[Perez] I came to Havana in April to meet with Col Tony de la Guardia and to buy merchandise from him to supply the stores we had in Luanda: the (Beznozol Store) and house No 3.

[Rosales del Toro] What was the result of your meeting with him?

[Perez] Well, I bought approximately $90,000 worth of merchandise that was sent to the stores and sold.

[Rosales del Toro] What sort of items did you purchase?

[Perez] I bought industrial products mostly and some beverages.

[Rosales del Toro] After meeting with Tony, what else did you do and who else—Cubans or foreigners—did you contact during your stay in Havana?

[Perez] The first contact I had was with a Cuban, Col Tony de La Guardia, who assigned two advisers or officials from his staff to me. One of them was named Tito and the other was called Heriberto. Together with these men, I visited different places and basically we met with a Panamanian merchant who was in Havana. His name was Victor Azrak and most of our operations were conducted with him. We bought most of our merchandise from this Jew.

[Rosales del Toro] How did you plan to ship the merchandise to Angola?

[Perez] First, we thought the merchandise would be shipped in the military ship—the military provisions ship. However, Tony de La Guardia and his group took care of this matter since we did not have the authorization to send it in the ship. A partial shipment was sent in a ship called La Perla, and the rest was sent via air freight, including a shipment made in an IL-76 aircraft that made a flight to Angola.

[Rosales del Toro] Do you recall the date you traveled in the IL-76?

[Perez] It was close to August. It was very late in the month.

[Rosales del Toro] Well, does anybody here have any more questions for Lt Col Perez Rivera?

[Brigadier General Lorente Leon] Comrade Lieutenant Colonel, could you tell us where this merchandise ended up? Do you know?

[Perez] This merchandise was sold in an orderly manner through the proper economic controls at the house No 3 stores. All sales were tallied through the mission's account, handled through an organized accounting system.

[Rosales del Toro] What was Tony de La Guardia's business in this deal?

[Perez] Tony de La Guardia worked as a middleman. In other words, he financed the purchases and earned a small profit. He made my purchases from the Panamanian businessman. I was given the merchandise on consignment for 90 days. For this work, Tony de La Guardia earned a small percentage on these purchases.

[Rosales del Toro] How did you make contact with Tony?

[Perez] I was told to contact Gen Patricio as soon as I arrived here. Gen Patricio then took me to Tony's office.

[Rosales del Toro] Did Patricio take part in the Angola operations?

[Perez] Not with me. In these business deals, I never saw him. He did help out with the contacts, but he had no part in the business at that time.

[Fernandez Gondin] It would be good if you explained Antonio's sale of some of the articles to the shop and then the claim letter you wrote in which you mentioned an unusual sale and the reply you received.

[Perez] I came to Cuba on vacation on 25 December 1988 and, when I returned there, I found that comrade Llicas had gone to the store. He told the comrade who stayed in may place that the chief of the mission had ordered the purchase of 20 JVC television sets valued in $720 each, 19 table fans valued in $60 each, and 678 cases of Santa Cruz rum valued at $1.40 per bottle. This totaled $26,900, or $26,740, something like that.

I wrote a letter because this brought difficulties from the economic point of view, from the point of view of the costs, of the organization and commercial logistics of house No 3. I returned and wrote the letter—it was answered—because a small number of rum bottles were missing, four of the fans were broken, and the television sets had a system that was not used in Angola and more investments had to be made to adapt an audio crystal so that the sound could be heard. This brought me serious financial problems in the accounting area. I sent the letter, received a response from Col Antonio in which he said he would answer me later but to handle the situation in the mean time.

[Rosales del Toro] Specifically, how much was the difference in money? Could you expand a little on what Antonio told you?

[Perez] Well, Antonio didn't talk about money in the little letter he sent me. My problem was the broken equipment and the high price of the equipment. Some $1,600 was involved in the broken equipment that could not be sold and 48 cases of rum valued at $16.80 per case were missing. If I remember correctly, all that involved some $1,660. He told me he would answer me later and for me to handle the situation in the mean time. That was the response I got.

[Rosales del Toro] Did he mention Ochoa in that letter?

[Perez] He said the chief was touring the interior and that upon his return they would meet to analyze the situation and answer me. I suppose that when he said chief he was referring to General Ochoa.

[Rosales del Toro] General Fernandez Godin.

[Fernandez Godin] Omelio, did you receive instructions from Gen Ochoa to deposit money in a Panamanian bank as a result of the sale of oil to foreign vessels?

[Perez] For Cuban vessels, that is, managed by Cubans. That was a Cuban vessel, that is, operated by Cubans; its captain was Cuban and the crew was Cuban. The ship is called ("Sechil"). It had difficulties because the Angolans did not supply the [word indistinct] it needed for the cold chambers and was going to stay for a long period of time—over a month—and asked the mission—I understand it asked the rear guard—to supply some fuel and some food for the crew.

I believe they were supplied with 20 tons. The operation amounted to a total of $4,267. I was coming to Cuba on vacation and I was given an account number in Panama so that the enterprise, the owner of the ship here, would deposit in the account in Panama the money for that operation.

[Unidentified speaker] Where was the flag from?

[Rosales del Toro] What flag did the ship carry?

[Perez] I don't know that detail. I know the ship belongs to a Cuban enterprise based here on 5th Avenue and has three ships and it deals with the transportation of meat products because the ship has been adapted for it.

[Rosales del Toro] On 5th Avenue?

[Perez] 5th Avenue.

[Rosales del Toro] Did you ever go there?

[Perez] I went there. I met with the engineer who went there asking for fuel and with, I believe he was, the commercial deputy director.

[Rosales del Toro] General Quinta.

[Quinta] Why was the money deposited in Panama?

[Perez] That is what I was instructed to do because it could not be done in Angola. The enterprise could not deposit it there because Angolans have many obstacles to withdrawing money from the bank and did not have a name to deposit it under other than Mambisa. Mambisa has to go by certain rules; it has to withdraw the money gradually over a long period of time, basically in German marks. This is why I was asked to deposit it there.

[Unidentified speaker] Couldn't that money have been deposited in our fatherland, in Cuba?

[Perez] I believe so.

[Rosales del Toro] Didn't you find anything unusual about the instructions you received?

[Perez] I didn't at first because I thought it had to do with the operations related to Tony La Guardia and that one of their accounts was being used to carry out the operation and later transfer it to Angola. This is what I thought at first.

[Rosales del Toro] General Baranda.

[Baranda] You say that an IL-76 was used to take the cargo there in August. A flight to Angola on this type of plane would cost $80,000 or $90,000. Who paid for that?

[Perez] That was purely a Menca [expansion unknown] staff operation, that is, a MININT mission, and it went on them.

[Baranda] I ask this question because those television sets should be extremely expensive there after the air fare is added.

[Rosales del Toro] Was the entire cargo a MININT cargo?

[Perez] I believe it was for MININT. I didn't see the plane. I was not there but it went to the warehouses that the MININT had already organized there for its commercial activities.

[Rosales del Toro] What warehouse do you know they had there?

[Perez] They have a warehouse at the Viana Road exit. It operates as a wholesaler to sell to Angolans. There is also a very small retail store.

[Rosales del Toro] Is this specifically from the organs Tony represented?

[Perez] That is right.

[Rosales del Toro] Pardo.

[Pardo Guerra] You mentioned that new stores were going to be opened in various cities. Why were they going to be opened and how were those stores going to be operated there?

[Perez] At the beginning it was said that those stores were going to be opened to be operated by foreign personnel, probably Latins. This idea later was under the complete control of Tony La Guardia's group. It was considered as part of the possible task of the group I was assigned to—the so-called special group—for a short period of time. It later was under the interests of Tony La Guardia. I do not know why he did not open them. They were regular stores.

[Pardo Guerra] Those were stores that had nothing to do with military activities, of course.

[Perez] No, nothing. Absolutely nothing.

[Pardo Guerra] And you were going to operate them.

[Perez] At the beginning. It was said that the group could organize them but that idea lasted a short period of time. It quickly went to Tony La Guardia.

[Pardo Guerra] If your group did not have those tasks, why did you get involved in it?

[Perez] Because those were the orders given to us. This was the reason the group was created. All these activities fell under the tasks assigned to us.

[Rosales del Toro] General Pujol.

[Pujol] Comrade Lieutenant Colonel, you say these stores were going to be directed by you and operated by Latin personnel. What do you mean by Latin personnel?

[Perez] The idea was to consider the possibility of taking there some personnel that Tony La Guardia's people would find—either Panamanians, or people from other countries but not Cubans, or at least people who did not appear to be Cuban.

[Pujol] Why was this?

[Perez] I believe it would be so that there wouldn't be legal problems in Angola, in Luanda. This is what I believe because...

[Rosales del Toro] Didn't this get your attention?

[Perez] Yes, of course.

[Rosales del Toro] Did you show some disagreement with this or did you make some observations on these matters?

[Perez] Well, I did not make any observations to Gen Ochoa.

[Rosales del Toro] What about to other comrades?

[Perez] Yes, I did comment on this with some comrades.

[Rosales del Toro] Is there any other matter? We have finished with the witness, Secretary of the Presidency.

[Unidentified announcer] Captain Jose L. LLicas Papadedis, appointed by Div Gen Ochoa Sanchez to the group of officers involved in carrying out illegal commercial activities.

[Rosales del Toro] When did you first begin working in the special foreign exchange group and when did you learn of its functions?

[Llicas] I learned of the group's functions and began to work in that group in March 1988.

[Rosales del Toro] Who told you of your duties?

[LLicas] Lt Col Onelio told me of my duties and Col Antonio also spoke to me of my duties.

[Rosales del Toro] What were your duties or activities in the group?

[Llicas] Supplying house No 3—which serves as a hotel for the Cubana de Aviacion crew—the Cubana de Aviacion commissary in Luanda, and a store located in (Beznozol) on the 11th floor.

[Rosales del Toro] What kind of business did this store handle?

[Llicas] That store sold articles and food to the Cuban personnel who worked in Luanda, Angola, and to some citizens from socialist countries.

[Rosales del Toro] What resources were you given to carry out this activity?

[Llicas] We had been given a new Toyota bus or truck. The four-door truck enabled us to transport the products discreetly and safely in Luanda. The products were placed inside the patrol truck. In this way, I supplied house No 3, the commissary, and that store. In addition, there was a supply plan which had been drawn up and signed by Div Gen Arnaldo Ochoa. Through the rear guard food and clothing section, this plan allowed me to request products in order to supply those places. I was issued delivery orders, the products were chosen at the base, and then I would supply them to those places.

[Rosales del Toro] Explain to us with whom you carried out the exchange of products? Refer specifically to the contraband with the Angolans and the foreigners.

[Llicas] As for with whom I exchanged the products, it was with the merchants who operate in the Angolan black markets or candongas, as they call them. I exchanged the products through those places and I acquired the products that the base could not supply and did not have. For example, I would obtain plantains, salad greens, fruits, and vegetables that we did not have at the base and exchange them for other products. Sometimes I would get kwanzas for the products included in the plan. I was given kwanzas to exchange them for products.

When this happened, a record was kept on the amount of kwanzas needed for the products that were required, and I would buy the products with kwanzas. Sometimes I bought several products from several dealers. In other words, I kept two separate accounts: one for recording transactions in kwanzas for products and vice versa, and the other for recording products that I brought from the base and kept in the storehouse. It is all recorded in the books I left behind when I came here.

[Rosales del Toro] What did you seek to accomplish by exchanging products?

[Llicas] The main purpose was to obtain dollars for those products. For example, I would buy a box of sardines and convert it into foreign exchange. How? I would exchange the box of sardines for plantains, which I would take to house No 3, where it would be sold as fried plantains to crew members, who paid in dollars. The plantains were also taken to (Beznozol) and sold to Cuban personnel there, who also paid in dollars. In other words, the whole idea was to get dollars.

[Rosales del Toro] Apart from this trade or contraband, what other types of deals did you make in order to obtain foreign exchange?

[Llicas] I was instructed by Col Antonio and directly from Div Gen Ochoa to sell sugar for dollars. Through the contacts I normally made through my job, I came to know businessmen or black market dealers who bought the sugar and paid $30, $35, up to $40 per sack for it. When this happened, I would immediately report that I had received an offer to purchase more sugar. I was then given authorization, I would sell the sugar, and turn the money over.

[Rosales del Toro] Can you tell us how many of these transactions you made?

[Llicas] I cannot give you details on the number of bags, but, according to my own figures, I sold approximately 990 sacks of sugar between November and December at $35 per bag, which amounted to approximately $34,000. I prepared invoices after each sale, which I turned over to Col Antonio. He would tally the figures and I would give him the invoices and the money.

[Rosales del Toro] How was this connected to the diamond trade?

[Llicas] When one is buying such products and dealing with the so-called black market dealers, they offer you all sorts of things. I would like to say briefly that the entire operation was black market and everything bought was contraband. If I had gone to the market to purchase a bottle of wine, that wine would have been introduced at the border as contraband from somewhere else; the same would apply if I were to buy plantains. They sell Cuban, Soviet, Chinese, all sorts of products on that market. Everything that is purchased there is contraband. The black market dealers approach you and ask if you care to purchase this or that. They offered me mercury, diamonds, ivory, everything. They would see you doing business and they would approach you. Through those contacts they offered me diamonds on several occasions.

On one occasion Col Antonio [corrects himself] excuse me, I mean Col Rafael Morales asked me if someone had approached me to sell any product that might ultimately yield foreign exchange for Cuba—because all this was to get foreign exchange for Cuba because of the country's situation, etc, etc. I told him that I had been offered many things such as mercury, ivory, and diamonds. He said: We are interested in diamonds and need ivory. I said [to Col Morales] you, not I, should make the decision. However, I never made a transaction of this type with Comrade Col Rafael [Morales].

However, between November and December, Col Antonio came to me and told me that he had looked for me all over Luanda. He told me that I must find at least one diamond and determine if that business would be profitable. I asked him who had ordered him to look into this business and he said that Ochoa himself had ordered that I check this matter out. He also wanted to talk to me about something else. I therefore proceeded to do as ordered and went to find people in the diamond business. It took me a couple of days to find them, but I was able to talk to a dealer who loaned me a diamond that was the size of a pea. I did not have anything with which

to pay for the diamond. I took the diamond to Col Antonio and said: Look, this is what I have managed to get. They [not further identified] kept the diamond for a couple of days and then returned it to me. Incidentally, the man who loaned me the diamond was after me and would have beaten me if he had found me because he thought that I had stolen it from him. When they returned the diamond, they said that this kind of business was not profitable and that we had to continue selling sugar. I said that it was all right with me and returned the diamond to the dealer.

However, not even 15 days later Antonio de La Guardia looked for me again and said: Hey, look, we want to get more diamonds because it is a profitable business. They [not further identified] returned to me and said that it is a reliable business venture and that a large amount of foreign exchange can be obtained for Cuba through that business and that it could definitely be the solution, replacing the system whereby we get meager amounts for sugar. Well, I said, if you wish, I will contact people in (Lacandonga) who are always willing to buy sugar with diamonds and make other such offers. I did so and contacted a person who said that he had seven [diamonds].

I asked them if they could show the diamonds to me. They did not want to give them to me. Since I had earned the trust of the businessmen at the market, I would go to the market everyday so everyone knew me; they finally gave them to me. So I gave them seven. They held on to them for a few days and then told me to go ahead and pay for them. I believe that I gave them about 80 sacks of sugar. After that, I made two or three more deliveries; I do not remember exactly how many. I delivered approximately 30 of those little diamonds. Each of them cost me between 250 and 300 sacks of sugar. In the end I was told that this was not going to work; that it was too small-scale; that there were too many losses and that the corporation had said that we should not continue with that business. So I said: Well, I will do as you say. If this is not profitable for Cuba or for the company, then we will discontinue it. That was the way it all ended.

On two or three occasions I gave the diamonds to Col Antonio. On one occasion Gen Ochoa walked in while I was delivering the diamonds and I personally gave Gen Ochoa seven diamonds at house No 1. I gave Gen Ochoa the first seven diamonds in person. That is all I have to say about this.

[Rosales del Toro] At house No 1?

[Llicas] Yes, at house No 1.

[Rosales del Toro] Did you meet another foreigner who was living there?

[Llicas] At house No 1?

[Rosales del Toro] At house No 1.

[Llicas] No.

[Rosales del Toro] No?

[Llicas] I cannot say that I did [meet another foreigner].

[Rosales del Toro] How many dollars did you bring into Cuba? Who did you give them to?

[Llicas] The dollars I brought back were from the sale of 20 television sets at $720 each. These television sets were sent to house No 3. They paid for them. I also sold 19 fans at $60 each. That would add up to approximately 15,400 pesos, plus 9,000 pesos that I got from selling flour—more than 900 sacks of flour were sold. The flour was not that good, but it sold well. In all, I gave Col Antonio approximately 24,000 pesos.

[Rosales del Toro] Why did you make those sales?

[Llicas] Why? They ordered that those sales be made.

[Rosales del Toro] Antonio ordered the sales?

[Llicas] For example, when I was coming back, Pepe Rios showed up with the television sets and the fans and Antonio found me and told me that they had to be sold.

[Rosales del Toro] Pepe Rios, in Angola?

[Llicas] In Angola. He had left, but came back. He told me that the television sets had to be sold. He said: The boss says to sell them at least for 700 pesos each. I said: I am already leaving, I am just closing up the flour business, and now I have to go all around Luanda selling television sets. I said that I would never get done. So he told me to go to house No 3, sell them the television sets, pick up the money, and give it to me in Cuba. That is just what I did. I sold the television sets and the flour I was given to sell. All the sales were in dollars. That is exactly what I did. All the accounts are there, the paperwork is there.

[Rosales del Toro] Did you get paid for all your sales? Were there sales that were not completed?

[Llicas] Yes. We did not get paid for some of the dry fish we sold. I did not have time to receive the money. That was for approximately 5 million kwanzas, approximately $2,000. The people over there hide a lot. You give them the fish and they get lost. You have to be chasing them all over. I did this often, but I did not have enough time before I left. I also reported on this. I told them of the pending business. Later it was said I would return to Angola, but I never did.

[Rosales del Toro] Who did you give the dollars to when you returned to Cuba?

[Llicas] To Col Antonio. He was waiting for me at the airport, the military airport. He arrived and I gave him the money.

[Rosales del Toro] Was that your only meeting with Antonio after you returned?

[Llicas] No. He came to my house about 20 days after my arrival. He came to my house with his wife and his daughter, who had hepatitis. He was at the house for a while, and I invited him to go fishing down at the river near the house. We went fishing; we threw the net and caught a few small fish and headed back home.

He returned to my house about 15 or 20 days ago. He brought a letter from Lt Col Onelio, who was asking about the sale of the television sets. He was complaining that he had been left with television sets, there was no market for them, the frequency in Angola was not the same as in Cuba, a special piece of equipment was necessary to use them, and some cases were missing from a sale of rum. He was just complaining. Onelio was complaining to Antonio.

Antonio then asked me: Have you seen Ochoa lately? I replied: He has been by here two or three times, but I do not know where he is. Antonio said: Give him this letter, because Onelio is complaining about this. So I said: If I see him, I will give it to him; otherwise, I will return it to you. I had to give it back to Antonio, because I never saw the general again.

[Rosales del Toro] Did you know about some houses that were going to be repaired, and were you asked to participate?

[Llicas] Where? Here in Cuba?

[Rosales del Toro] Here in Cuba?

[Llicas] Yes I do.

[Rosales del Toro] Can you tell us about this?

[Llicas] It is not really a house; it is a barn [nave], a sort of barn in a small farm the Army has. We call it Pena farm. There were three barns, but two were torn down, and I was told to turn the one that was still standing into a warehouse.

[Rosales del Toro] Was that the only house they were thinking about?

[Llicas] No. First they thought of repairing a house located in San Francisco de Padua. It is buried out there in San Francisco de Padua. It is an old house that has been destroyed. What they have done to that house is a crime. They had planned to fix up that refuge, put a fence around it, and repair the house.

[Rosales del Toro] For what purpose? To turn it into a warehouse?

[Llicas] I do not know the purpose. We were told it would be restored to the way it looked before. It is much too pretty to turn into a warehouse.

[Rosales del Toro] It is a house?

[LLicas] It is a house with a swimming pool.

[Rosales del Toro] In your dealings, did you ever hear of any business relations with Tony de La Guardia?

[Llicas] Yes.

[Rosales del Toro] What did you hear?

[Llicas] Yes, of course. I heard about the diamonds that were going to be sent to the corporation [not further identified] for them to study the deal. De La Guardia was supposed to meet with the corporation members to see whether the venture would work out or not.

[Rosales del Toro] Did you ever have a chance to see him visiting those people?

[Llicas] No, I did not see him.

[Rosales del Toro] Comrades, do you have any questions?

[Gondin] Div Gen Llicas, what did Ochoa promise you regarding your job and your wife's job outside Cuba? And what kind of contacts with foreigners did he suggest you make?

[Llicas] When I arrived here, he told me: Now you are going to work in the farming section. However, for the time being and until the farming industry is created, I want you to undertake a few tasks. That was when I went to San Francisco de Paula farm for the first time. For some reason, the business at that farm fell through, although I do not know why. He told me: Let us not do anything here; let us do business somewhere else. We will do a [word indistinct]. He never told me about building a house for him. If he had said something about that, I would say it here just as I have said other things. It would not harm me to say it—at least I think not.

In any case, he told me: You are going to be here in this [word indistinct] for the time being, because I have other plans for you. I plan to send you to Panama for some businesses I have there. I then told him: If you send me to Panama I would like my honey bun, my wife, to go with me, because my two children are in the Soviet Union, and she would have to stay here all by herself. My children are studying there.

Ochoa then told me: No problem. You can take Silvia [Llicas' wife] along with you. You will stay 1 or 1 and ½ years there. Everything will go well. After that period, if you want to continue working with me, it will be all right;

if not, you can then find somthing else to do [desmobilizarte]. He told me that, but he never told me about the kind of job I was supposed to perform. He never told me what I was going to do in Panama or anything like that. He never told me that.

[Rosales del Toro] Go ahead Gen Gondin.

[Fernandez] Llicas, what gift did you give Tony?

[Llicas] I decided to give him a gift that a smuggler gave me. I used to receive all kinds of gifts. Honestly speaking, they gave me anything I asked for, because I was the one who had the sugar. They would give me anything as long as I did not sell the sugar to somebody else. They gave me television sets, record players, and other things.

A smuggler gave me a small, but beautiful diamond. I took it. I honestly wanted to bring it back with me, because it was a gift somebody gave me. I wanted to bring it back to Cuba with me. I told Silvia I wanted to bring it back. I told her: What should we do with this? Then I told here: Let us turn this diamond in. What are we going to do with it, anyway. We do not have a way to sell this or anything. What are we going to do with a diamond? We do not need anything else. We have a beautiful house and everything we need. All that has been given to us by the Revolution. My only two children are studying in the Soviet Union. I did not need that diamond.

Thus, I told Tony: I was given this small diamond, among other things. He took it and said: All right, and he put it aside. I was a bit disappointed, because I gave it to him with so much enthusiasm, and he took the little diamond and put it aside without paying the least bit of attention to it. That diamond was given to me by an Angolan citizen. I do not know what happened to that diamond after that. I do not know whether he put that diamond with the others or what. I have no way of knowing.

In addition, I was also given $300 once. I turned in that money, and I told them: This money is coming from the businesses. Once I was given $100, and another time I received $12. I turned all that money in, because carrying $1 here in Cuba is like participating in counterrevolutionary activities. I am, indeed, aware of that. I am not used to carrying dollars. When the Revolution began, I was 13 years old. The first time I saw a dollar bill was in Angola. I had never seen one before, and much less diamonds. When I saw a diamond for the first time, I could not believe that small stone had cost me 30 bags of sugar.

[Unidentified officer] I have been listening to our comrade's statements. For him, even the exchange with the (cangonga) was very normal. The black market presented the problem that everything was done for Cuba, that economic problems could be solved that way. He received orders. I recall—although I am not sure whether things have changed now—that all the Cubans who went to Angola had to read a sign written by the FAR minister that stated: The day we leave from Angola, we will only take with us our dead comrades.

Thus, I do not know how you received those orders with so much enthusiasm and desire to solve the problems, while reading the sign with the minister's words on it. I am not sure whether they took that sign down, though; it had always been in the same place.

[Rosales del Toro] Gen Gondin.

[Gondin] Llicas, did you use any equipment to determine whether the stones you were given were diamonds or not?

[Llicas] Yes.

[Fernandez] Who gave that equipment to you?

[Llicas] Col Antonio took that equipment to the MININT, to AMENC [not further identified]. He told me: Come with me; I am going to give you a little machine that can help you check that stuff, because Patricio bought four, and two of them were fake. He told me that. We went there and he brought me a small machine from MININT. I had it for a few days and then they took it away from me. I could hardly work with the equipment, because it was a little complicated. The machine has a scale on the side. Once you applied the machine to the diamond, the scale changed colors. If it reached a bright green color, it meant the diamond was good. Everytime I used the machine with the very small diamonds, the machine made a special sound [Llica makes a noise] and a light turned on. Col Antonio, in collaboration with MININT, gave me that machine. I say in collaboration with MININT, because while I waited downstairs, he went up to MININT and brought down the machine. In other words, he did not give me the machine before he went in the MININT building, but after he had gone in. That is why I say with the collaboration of MININT.

[Rosales del Toro] Gen (Orfa).

[(Orfa)] [Words indistinct] the question [words indistinct].

[Rosales del Toro] Any other comrade.

[Chui] I am Brigidier General Gustavo Chui. Gen Llicas, without wishing to cast doubts on your word and your efforts, because you are a comrade worker, I would like to ask you one question: All that work you carried out in Angola and that enthusiasm with which you obtained and sold sugar and exchanged diamonds—did you not wonder why the remaining mission's officers and soldiers could not do that work, that business, that exchange, that sly venture [candongueo] in Luanda and yet you could? Did you not wonder?

[Llicas] Yes, yes. I...

[Chui, interrupting] Did it never hit you that maybe there was something wrong when at party meetings people discussed the mission's soldiers' and officers' deals on the black market while you were involved in those deals without being punished at all? Did you ever wonder about that?

[Llicas] No, can I answer? No, because that was my job: to make deals on the black market [candonguear]. That was my job, my duty; I was authorized to obtain anything that was not available on base. I was given a written plan containing a list of products, including sugar and sardines, which I was to barter or obtain on the black market every 3 months. This plan, which was signed by Div Gen Arnaldo Ochoa himself, officially authorized me to make deals on the black market. For me, this was a regular job.

[Rosales del Toro] It did not bother you to be able to do this while others could not?

[Llicas] What bothered me was that they disliked my doing this in civilian clothes, but not what I had to do, because I was doing my job. I did it with pleasure, because it would represent dollars for Cuba. That is how I worked. I already gave you an example: If they asked me for serpent poison, that is what I would bring them.

[Announcer] Captain Jorge Martinez Valdes, Div Gen Ochoa Sanchez's personal aide and liaison with one of Colombia's main drug-trafficking bosses.

[Rosales del Toro] Captain Jorge Martinez Valdes, as witness of the Tribunal, which is studying charges leveled against Div Gen Ochoa Sanchez to better clarify the events that are being aired in this hearing, you must strictly adhere to the truth. We will pose several questions to you; we want you to be as specific as possible. The first question is: How and when did you first become involved in business deals with foreign capitalists?

[Martinez] The business deals began in 1985 and 1986, and involved capitalists from Panama.

[Rosales del Toro] When were you introduced to the drug-trafficking business and what motivated you to make contacts?

[Martinez] The first experience with drug trafficking was money laundering, which involved a Panamanian named Jaime Tejada, who proposed money-laundering deals to us through an Italian-American named Frank Morfa. That was my first experience.

[Rosales del Toro] Did you meet again with these individuals?

[Martinez] No.

[Rosales del Toro] With other individuals?

[Martinez] Yes, Panamanian Ciro Moscoso and Colombian Fabel Pareja.

[Rosales del Toro] What were the operations like? How were they conceived?

[Martinez] These operations were initially negotiated through Colombian Fabel Pareja and involved money laundering and helping to transport military equipment. He proposed a trip to Colombia; this involved providing me with a Colombian passport to get there and meet with his boss.

[Rosales del Toro] Detail your trips to Colombia; who did you meet and what for?

[Martinez] The trip to Colombia took place when I was already in Angola. Div Gen Ochoa ordered me to travel to Cuba to contact Col Antonio de La Guardia, who had received an invitation from drug trafficker Pablo Escobar to visit his farm in Colombia to discuss certain business deals. Div Gen Ochoa sent me to attend that meeting on behalf of Col Antonio de La Guardia. Should I continue?

[Rosales del Toro] Continue.

[Martinez] That trip took place through.... [changes thought] When I returned to Cuba, there were three meetings with four Colombian representatives whom the drug trafficker Pablo Escobar had sent to Cuba. Three meetings were held; the first with them, the second with some Mexicans, and the third with some Mexicans and the Colombians.

[Rosales del Toro] Where did the meetings take place?

[Martinez] Those meetings took place in a house of CUBALSE [expansion unknown], which De La Guardia's group rented to them.

[Rosales del Toro] All three meetings?

[Martinez] All three. Another meeting took place at the Hemingway Marina. This meeting involved two U.S. and two Mexican citizens. The U.S. citizens proposed money-laundering deals in the United States, and the Mexicans proposed to the Colombians drug-trafficking deals between Colombia and Mexico.

[Rosales del Toro] After that one, were there any more trips to Colombia?

[Martinez] No. After those three meetings they agreed, the Colombians agreed, on several things. They suggested obtaining special paper for printing counterfeit dollars; they had a machine but needed special paper for it. They also suggested setting up a cocaine processing laboratory here in Cuba. They also discussed the possibility of some sort of transshipment from a vessel using a ship coming from Colombia bound for the United

States and to transfer the cocaine through Cuba. I cannot recall the other idea they proposed. Well, the other idea was to transfer the drugs from Colombia to Mexico.

[Rosales del Toro] What deal did you make?

[Martinez] The Cuban group only agreed to get them the special type of paper and to help them get the ship through from Colombia to the United States via Cuba.

[Rosales del Toro] What were the next steps?

[Martinez] I traveled to Panama and picked up a passport for which I had made arrangements some months before through a Colombian named Fabel Pareja. They paid my fare and I traveled with a false passport to Colombia. Once there, I first went to speak with Pablo Escobar's brother; then I was taken to Pablo Escobar's farm, which is some distance from Medellin and has heavy security. That is where the meeting was held. The meeting was with drug trafficker Pablo Escobar to discuss money laundering. They were not interested in laundering money in the United States.

They mentioned obtaining some surface-to-air missiles for Escobar's personal protection, because there had been several attempts to arrest him, and helicopters had always been used. They also suggested the idea of using a ship called Jennifer, and we also discussed general policies. Afterward, it was decided to go ahead and arrange things to use the ship Jennifer registered in Panama. I then returned to Panama from Colombia, and, once in Panama, I traveled with Panamanian Ciro Moscoso. They instructed Ciro Moscoso to form a company that was to legally represent the ship and to handle all the legal documentation.

From Panama, I returned to Cuba to wait for the password that would mean the ship's departure. The password consisted of a telephone call informing me that the bank remittance would be made on a certain date, and giving me the date of the ship's departure. We waited for the call, but it never was received. We returned to Panama to find out why the ship had not left and were told that the ship had not sailed because it was still under repair, that the ship's captain had been murdered, and that it was becoming very difficult to get the ship seaworthy. We then discussed the possibility of sending the shipment by air instead of by ship. I returned to Cuba to investigate this possibility and consulted with Col Antonio de La Guardia, who instructed me to go ahead. He said that this operation would be disguised as a sale of Cuban tobacco so as to gain authorization for the airplane to land here in Cuba. Shall I continue?

[Rosales del Toro] Go ahead.

[Martinez] This operation was prepared and carried out. I traveled to Panama, where I met again with Fabel Parejas. We made some adjustments with the pilots, because they did not know exactly where they should drop the merchandise— we had always dropped the merchandise from ships or planes outside Cuban territorial waters. They were asked to drop it southwest of Key Sal, but they disagreed. I made a second clandestine trip in a private plane to a place I believe was somewhere in Colombia. There I met with Garcia, Pablo Escobar's brother, who told me that there was some disagreement concerning the spot where the merchandise was to be dropped, and that there were problems with the pilots, who were reluctant to do the job.

However, there was finally an agreement to use that spot at a third meeting attended by a Cuban-U.S. citizen, who was to receive the merchandise and who tried to convince Fabel to drop the merchandise south of Key Sal. After that meeting, we were supposed to receive a phone call advising us of the plane's departure. However, the call was never made, because apparently an agreement was never reached to drop the merchandise in Key Sal.

[Rosales del Toro] I would like you to tell us with as much detail as possible how Ochoa was informed about these matters and what instructions were received from him to carry out these operations.

[Martinez] Since the first time money laundering was mentioned, Div Gen Arnaldo Ochoa asked us to investigate what this was all about, how it was done, and what was really behind it. We continued our investigations and always kept him informed of all the phases of the investigation, initially carried out with Morfa and later on when we met with Fabel Parejas, the Colombian, who told us that he was interested in money laundering and that he was going to help us. We always informed Div Gen Ochoa of those conversations to the very last moment at which time, in Angola, at the beginning of 1988, we showed him the Colombian passports that the Colombians had given us to travel there to make the arrangments.

We [corrects himself] I personally believe that this was an investigative phase authorized by Gen Ochoa with the goal of carrying out those activities. From then on, we went from an investigative to an active phase, when it was decided to operate, work, and coordinate with groups run by Col Antonio de La Guardia to send shipments on the ship Jennifer and by plane. Gen Ochoa was also informed of this; we personally told him at his home about the ship; and, when it was decided to make the change from the ship to a plane, he was informed in a phone call he initiated from Angola to our home here in Havana. We informed him that the transportation means would be by air instead of by sea.

[Rosales del Toro] Would you explain, as detailed as possible, what links you had with Tony de La Guardia and his group's work?

[Martinez] I did not have any links with them. I got together with them for the first time when Gen Ochoa ordered me to see Tony to substitute for him at a

meeting. Tony had supposedly been invited by Escobar to travel and attend a meeting. From then on, we worked together to prepare the ship Jennifer and later to prepare the air coordination. We did not work together after that transaction that ended in 1988. Div Gen Ochoa decided in 1989 not to continue working with this group, because they have proved to be [words indistinct] and inefficient in all their activities.

[Rosales del Toro] We would like you to tell us everything you know about the money matters; we want the whole story.

[Martinez] The money in the account or the one from the drug trafficking?

[Rosales del Toro] Money matters in general. Those related to your job. When was the bank account in Panama opened?

[Martinez] In 1987.

[Rosales del Toro] Did Ochoa give any explanation about this account being opened?

[Martinez] No, he did not. He gave me money to increase the account and raise it to $200,000. This was the amount of money in the account when we closed it.

[Rosales del Toro] Let us take this piece by piece.

[Martinez] All right.

[Rosales del Toro] Tell us, what additional amounts were deposited in this account?

[Martinez] I deposited $40,000 at the beginning of March 1989 in that account. He personally handed me this amount. Later, he gave me $6,000 more; thus the account totaled $200,000. The account was then placed on a 6-month time deposit.

[Rosales del Toro] Did the amounts deposited in this account come from profits made in Angola?

[Martinez] Yes, from some of the business transactions there.

[Rosales del Toro] Why were these profits from Angola deposited?

[Martinez] What profits? I do not understand your question.

[Rosales del Toro] Why was the money gained in business transactions in Angola deposited in this account? What was the justification for this action?

[Martinez] I do not know why. I do not know the justification for this action. I was given the money and ordered to deposit it into that account.

[Rosales del Toro] You are talking about the $40,000 [words indistinct] $200,000?

[Martinez] Yes, $40,000 plus $6,000 to complete the $200,000.

[Rosales del Toro] From where exactly did those $40,000 come?

[Martinez] I really do not know; I suppose from business deals in Angola.

[Rosales del Toro] Why was the drug trafficking money that Tony de La Guardia handed to Ochoa on 28 April transferred to Panama?

[Martinez] A total of $50,000 was transferred, and the objective was to...

[Rosales del Toro, interrupting] I understand that Tony was asked to contribute more money, right?

[Martinez] Yes. Tony was asked to contribute $100,000, but he only contributed $50,000. That money was to operate a company in Panama that was created to register the Jennifer ship. Colombians paid for all expenses to establish that company.

[Rosales del Toro] We understand that Ochoa told you to forget about this account once it reached the $200,000 mark?

[Martinez] Yes, to forget about that account.

[Rosales del Toro] Give us details on this. When and where did he say this?

[Martinez] During a meeting at the Western Army parking lot he asked me to close the account at the $200,000 mark and to then forget about it.

[Rosales del Toro] What future plans did you have? What was on your mind? What did Ochoa tell you?

[Martinez] At all times, Ochoa, as I just said, told us that this was being done for the sake of Cuba's economic development. However, I personally believed that this was straying away from the guidelines of the Cuban Revolution, that this completely ran counter to what the commander in chief said and what the Cuban Revolution proclaimed. I also believed that drug trafficking was not the way to solve Cuba's economic problems. Now that we have a clearer picture, we understand much better, because this worried us very much at that time. In fact, on several occasions, we even voiced our concerns to Gen Ochoa.

[Rosales del Toro] Did you just say a while ago that you replaced Tony de La Guardia on a trip he had planned to meet with Escobar?

[Martinez] Yes, I said earlier that Gen Ochoa informed me that Tony de La Guardia had been invited by Pablo Escobar to visit his farm in Colombia, that because of his many responsibilities and heavy workload, Tony de La Guardia was unable to go there; I was therefore sent in Tony de La Guardia's place.

[Rosales del Toro] I would like you to make your best effort to tell us who you represented during your contacts with drug traffickers. How did you introduce yourself or whom did you say you represented?

[Martinez] At all times, the Colombians thought of us as official representives of the Cuban Government; they did not believe that we represented anyone in particular. It is [words indistinct] because when Pablo Escobar's delegation came here, it was assisted by groups run by Tony de La Guardia. The group was very well taken care of, because they were lodged in official housing and a Mercedes Benz was placed at their disposal. The delegation left here with a very good impression. That is, members of Pablo Escobar's delegation had a very good impression of their stay. That is why I believe that no importance was placed on who our boss was or whom we represented; we were thought of as Cuban Government officials. That is my assessment.

[Rosales del Toro] How did you introduce yourself?

[Martinez] As an official of that group.

[Rosales del Toro] Even during your visits in Colombia?

[Martinez] Yes, including our two visits. I was seen there as an official from Tony de La Guardia's group authorized to participate in certain activities.

[Rosales del Toro] We understand you have talked about your bosses.

[Martinez] We might have talked at one time or another about consulting with our boss, but not with our bosses. For example, when I met with Fabel Pareja and he handed me the passport and told me I could travel to Colombia to take care of the money laundering and the transport of the military equipment we had acquired, I replied that I must return to Cuba to consult with my boss; I said I could not go. Those were the exact words I used.

[Division General Jesus Bermudez Gutino] [Question indistinct]?

[Martinez] Div Gen Ochoa met with the Western Army communications chief or head of the communications section, asked him to draft a communications program based on his own ideas, and told him he could provide up to $200,000. I believe Div Gen Ochoa would have invested that money in social programs, but also in personal matters.

[Bermudez] In Cuba or abroad?

[Martinez] In Cuba. Regarding the sale of diamonds in Panama, Gen Ochoa handed me a small plastic container in early March 1989 containing 136 small diamonds. I took those stones to Panama; through Panamanian Ciro Moscoso, we arranged with a Panamanian jeweler to sell all 136 stones. Only 2 of them were fit for use in jewelry; the other 134 were fit for industrial use, because of their high carbon content. The total amount collected for the sale of these diamonds was $3,500, which we personally handed over to Div Gen Ochoa.

Ochoa Removed From Assembly

FL2906014589 Havana Television Service in Spanish 0000 GMT 29 Jun 89

[Text] Today, La Lisa's municipal assembly of the people's government held an extraordinary meeting. This is the government organ that elected Division General Arnaldo Ochoa Sanchez as deputy to the National Assembly of the People's Government [ANPP].

La Lisa's municipal assembly of the people's government today approved the recall of ANPP deputy Arnaldo Ochoa Sanchez. This afternoon, the delegates met and proposed the initiation of the recall process.

[Begin recording] [First Unidentified Speaker] Comrade delegates, this extraordinary session has been called because Div Gen Arnaldo Ochoa Sanchez is a deputy to the ANPP from our municipality. He has committed grave offenses to the honor and dignity of the FAR [Revolutionary Armed Forces], and as representative of the people to the top government organ of our nation. We have called this extraordinary meeting of the assembly to analyze his [Ochoa] being recalled as deputy to the ANPP.

[Second Unidentified Speaker] When we elected Div Gen Arnaldo Ochoa as deputy to the ANPP, we felt the deepest satisfaction at having elected a soldier from the Rebel Army. We had the satisfaction of seeing an officer from our glorious FAR representing our municipal assembly. We elected a responsible internationalist who carried our glorious revolution's policies to various parts of the world. We elected the military man from the Communist Party of Cuba [PCC] who, with his actions, had the glorious honor of becoming a soldier and a member of the PCC Central Committee. We saw that he was a hero of the Republic of Cuba. Upon giving him the charges and distinctions... [changes thought] The distinctions of honor given to him by the revolution and the commander in chief, we think, is neither the fault of the revolution nor of the commander in chief because those were merits won during the development of his revolutionary struggle. He, at this time, has become corrupt and has lost. As a result, with regrettable revolutionary firmness we have to simply say that Div Gen Arnaldo Ocho is not worthy of being a deputy to the ANPP and I agree that he should be removed from this office.

[Third Unidentified Speaker] At this moment, in light of the facts that have been reported, and to which he has admitted, we agree that he should be removed from office because he has violated all of the principles established by the revolution. In turn, he has betrayed the fatherland of Marti and Fidel.

[Fourth Unidentified Speaker] Commander Ernesto Guevara once said that those who become tired of the revolution should separate themselves from it. Div Gen Ochoa Sanchez wrote a page in history. However, he became tired; but he did not separate himself. We believe that the ANPP is a government organ and as such, someone who is stained cannot govern us.

[Fifth Unidentified Speaker] We want to state that with each passing day, we must become more vigilant and more energetic with the measures that we should take against the smallest deviations that we see in comrades who, if caught in time, could be helped. We could even try, with our small effort and vigilance, to make certain that it does not become such an embarrassing affair as this did. I also believe that this is how our people feel. This is what all our comrades in the street and everywhere are saying. Every day we will make our revolution more pure. We will remove from it, as our other comrades were saying, anyone who tries to stain it. However, to do this we must be very vigilant and we must make certain that something like this, which could even be a breach in our security, does not happen again.

[Sixth Unidentified Speaker] It is our duty to say that our assembly loved Ochoa Sanchez's prestige. At this moment, that love has turned into a feeling of condemnation because he betrayed his people. At the same time, we want to state to our commander in chief and Raul [FAR Minister Raul Castro Ruz] that our assembly will know how to be worthy of the trust placed in it by our people. [end recording]

In this open session of the assembly, to which enterprise directors and La Lisa Municipality mass and political organization representatives were also invited, the delegates unanimously approved the proposal to begin the process of removal and so asked for the Council of State's advice, as is established in the rules for when the ANPP is not in session.

After a recess, the Council of State's response arrived with a report in favor of the process to recall Arnaldo Ochoa Sanchez's mandate. Once this was submitted to all the delegates for consideration, the delegates proceeded with their direct and secret voting.

Arnaldo Ochoa Sanchez is no longer a deputy to the ANPP.

Castro Rejects Government Link

PA2906140889 Madrid EFE in Spanish 0930 GMT 29 Jun 89

[By Juan Jesus Aznarez]

[Text] Havana, 28 Jun (EFE)—Cuban President Fidel Castro has flatly rejected any link between his government and drug trafficking operations carried out by General Arnaldo Ochoa and a group of officers of the Interior Ministry.

In his initial statement concerning the scandal, the leader of the Cuban revolution described as "courageous" the statement by the military officer under trial. He reported that the State Council has the last word on his fate, which has not been prejudged.

A military honor tribunal comprised of 47 generals has recommended that "the full weight of the law" fall on the division general. This would signify the death penalty, in addition to his expulsion from the Army and the Communist Party of Cuba.

Fidel Castro gave his opinion on the matter at a luncheon in the home of Antonio Serrano de Haro, the Spanish ambassador to Cuba, on the occasion of the end of the Spanish Presidency of the European Community, EFE learned.

The Cuban president, accompanied by Vice Presidents Carlos Rafael Rodriguez and Osmany Cienfuegos, and Pepin Naranjo, one of his closest collaborators, met for 6 hours with the European Community ambassadors accredited to Havana.

The first meeting of this kind was held 6 months ago at the request of the Greek Embassy. On that occasion, the guests enjoyed a Spanish menu: Gazpacho and Paella.

The meetings between Captain Jorge Martinez with Pablo Escobar, head of the Colombian drug traffickers, at General Ochoa's urging, was considered by Fidel Castro as the most serious aspect of the case, which linked his government with drug trafficking.

According to diplomatic sources, Castro emphasized the performance of the institutions [not further identified] after the "Ochoa case" broke. He termed the case "intolerable" and said he was convinced that "the revolution will emerge strengthened" from the crisis.

New Interior Minister Appointed

FL2906125389 Havana Tele-Rebelde Network in Spanish 1225 GMT 29 Jun 89

[Text] Taking into account the very poor work of the Interior Ministry's leadership regarding the conduct of a group of officers who for 2 and ½ years conducted drug trafficking operations which went unpunished and without being discovered and which have given a hard blow

to the prestige of the institution and the trust the people have placed on it, the Communist Party of Cuba [PCC] Central Committee Politburo has agreed to appoint Army Corps General Abelardo Colome Ibarra, hero of the Republic of Cuba, as new interior minister.

This decision was essential regardless of the services given to the revolution and the trust and esteem Comrade Division General Jose Abrantes Fernandez has enjoyed and enjoys in the leadership of our party.

The new minister will have to make a deep analysis of the causes and factors that made possible this grave act in the core of an institution that achieved such meritorious and brilliant successes during 30 years dealing with the imperialist enemy and the counterrevolution. Likewise, he will have to implement all measures so that such a deficiency cannot be repeated.

Our party expects the greatest cooperation of all the Interior Ministry combatants with Comrade Abelardo Colome Ibarra so that his institution can recover all the authority and prestige won by its heroic history of struggle in defense of the people and the revolution.

Signed, Fidel Castro Ruz, first secretary of the PCC Central Committee.

Pretoria Reportedly Places Obstacles in Namibia

FL2906024689 Havana Television Service in Spanish 0000 GMT 29 Jun 89

[Text] Pretoria's racist regime has placed many obstacles in the way of implementing UN Security Council Resolution 435 for Namibia's independence. Our reporter, Fritz Suarez Silva, gives us more on this subject.

[Begin Suarez recording] Certain actions carried out by South Africa in Namibia are to slow down the implementation of the UN plan to end 74 years of colonialism in that country of southern Africa. The racist regime uses ex-members of the paramilitary group (Jufof) in the Namibian police. (Jufof) was created by the South African Army as a special unit to fight the South-West African People's Organization, SWAPO, guerrillas.

Those men quickly gained a reputation for the crimes and violence they committed against the defenseless civilian population instead of for carrying out operations against the independent organization. Now, when they wear the uniform of the Namibian police, the (Jufof) cannot hide their true identities, and so are repudiated by the people and international organizations.

UN General Secretary Javier Perez de Cuellar demanded the immediate removal of the ex-members of the paramilitary repressive organization from the Namibian police. The leader of the United Nations expressed his concern over this situation in a report he submitted yesterday to the Security Council. Perez de Cuellar's argument to the top UN organization prompted the UN representative in Namibia, Martti Antisaari, to pressure the South African authorities to remove the (Jufof) from the police.

Various political observers doubt that next November's elections will actually be clean and impartial. Such worries, which are far from being unfounded, are based on the everyday patrols by armored vehicles and heavily armed soldiers who repress and intimidate the population and inhibit the return of refugees and SWAPO members to the fatherland.

The measures Pretoria uses in its colonized territory is ugly proof that the announced reforms to apartheid plan to extended themselves to Namibia in order to leave a government that will bend to the regime of racial segregation. [end recording]

Arrival of Combatants From Angola Reported

FL2806143089 Havana Tele-Rebelde Network in Spanish 1100 GMT 28 Jun 89

[Text] A new group of internationalist combatants arrived victorious in the fatherland last night after having fulfilled successfully its mission in the People's Republic of Angola. The over 160 combatants were welcomed by Division General German Barreiro Carames, member of the Communist Party of Cuba Central Committee. Brigade General Rene Nunez Alvarado and leaders of the party and mass organizations also went to the airport.

Fifty-two combatants hold the Internationalist Combatant Medal, first class; 110 hold the same medal, second class; and one was awarded the Camilo Cienfuegos Order. Three comrades arrived with the Calixto Garcia Medal and six hold the Defense of Cuito Cuanavale Medal. Fifty others received, because of their merits, the Distinguished Service Award and they all hold the medal for the Cuba-Angola Victory as symbol of the friendship that links the two peoples.

Upon their return, the combatants expressed satisfaction for having successfully fulfilled their mission and said they were willing to make all efforts for the construction of socialism in our country.

Maintenance Affects Radio Taino Broadcasts

FL2806155089 Havana Radio Reloj Network in Spanish 1414 GMT 28 Jun 89

[Text] The Cuban Institute of Radio and Television informs the people that Radio Taino broadcasts will be affected because of maintenance work that will be conducted in its antenna fields from today and until 30 June. Radio Taino can be tuned in from 0800 [1200 GMT] to 1600 [2000 GMT] on 710 kHz in Havana City.

Tanker Burns, Sinks North of Havana

FL2806234789 Havana Radio Rebelde Network in Spanish 2302 GMT 28 Jun 89

[Report read by Daniel Torres during "Exclusivo" program]

[Text] At 1024 today, the Cuban tanker "23 de Agosto" sank 11 miles off the northern coast of Havana. This is the ship on which a fire broke out yesterday at 1000 while it was loading 2,500 tons of gasoline at the Nico Lopez Oil Refinery. Of course, when I said 1000 I meant to say 2200.

Jose Menendez, deputy director of commerce for Caribe Navigation Enterprise, to which this ship belonged, said that the ship was initially taken out to the port's entrance to try and facilitate the fire fighter's efforts and to avoid a catastrophe from occurring at the refinery and surrounding area.

The firemen intensely worked all night and all morning, nevertheless, at 0530 today, when it was obvious that it would be impossible to save the ship due to the size of the fire, it was decided to tow the ship out to sea to avoid damages to the area.

It was reported that 11 miles north of Havana, and at a depth of 1,600 meters, the "23 de Agosto" sank. This ship was built last year in the (Braila) shipyards in Romania. The "23 de Agosto" measured 102.85 meters in length, 16.40 meters wide, and displaced 7,212 metric tons of water.

Menendez noted the worthy effort carried out by the fire fighters of the Firefighting and Prevention General Directorate, the ship's crew, as well as the crews of two tug boats who, while risking their lives, fought to avoid greater losses.

Also, Civil Defense measures were immediately taken to protect the population living in the area near the fire. A commission made up of representatives from the National Enterprise for Coastal Shipping and the Ministry of the Interior is investigating the causes of the fire which was started in the engine room of the "23 de Agosto". During the fire, one of the crewman was burned.

Dominican Republic

* First Quarter 1989 Economic Review

32480160 Santo Domingo LISTIN DIARIO (SABADO ECONOMICO Supplement) in Spanish 13 May 89 pp 1-4

[Text]

Currency Issues (Central Bank)

Between December 1988 and March 1989 the Central Bank's currency issues increased by 7.32 percent, rising from 3.8359 billion to 4.1167 billion pesos. In comparison with November the increase in currency issues totaled 21.6 percent, or 730.3 million pesos. It is disturbing that currency issues have been rising during the first months of 1989, a period wherein issues usually decline for seasonal reasons.

Exports, Imports, and Trade Balance

During the first quarter of 1989 exports amounted to $210.4 million, $29.1 million more than those for the same period in 1988, reflecting a 16 percent increase. Imports, for their part, dropped by $27 million, moving from $397.9 million during the first quarter of 1988 to $370.9 million for the first quarter of this year. Consequently, the trade balance improved substantially, with a reduction of $160.5 million in the deficit during the first quarter of this year. This decline in the deficit is due to the increase in ferronickel exports and nontraditional imports, and also to the reduction in imports, primarily those of automobiles, household electric appliances, and other items for which imports have been banned since April 1988.

Money Supply

During the first quarter of 1989 the money supply increased by 4.2 percent, despite the fact that the increase in December had been extraordinary (11.7 percent for that month alone). At the end of March the money supply totaled 4.7227 billion pesos, representing a 191.9 million peso increase over December which, when added to the 474.8 million peso rise that occurred during December, results in an increase of 666.7 million pesos during the period from November 1988 to March 1989. The reasons for the expansion of the money supply are very well known.

Consumer Price Index

The consumer price index rose from 658.39 in December 1988 to 681.13 in March 1989, reflecting a considerable reduction in the rate of increase in prices during the first quarter of this year, according to Central Bank estimates.

Currency Issues (according to the IMF)

When reckoned according to the IMF methodology, currency issues declined from 2.1082 billion pesos in December 1988 to 2.0855 billion pesos in March 1989. Nevertheless, in comparison with November 1988 currency issues increased by 261.5 million pesos (14.3 percent), based on this methodology.

Monthly Inflation Rate

According to the Central Bank's preliminary estimates, the inflation rate during the first quarter of 1989 (measured as the change in the consumer price index from December 1988 to March 1989) was 3.45 percent. This shows a marked reduction in comparison with the inflation for the last 3 months of 1988. The stability of the exchange rate is one of the factors that could explain the drop in inflation, particularly in the case of imported goods. Nevertheless, private analysts consider the Central Bank's estimate to be quite conservative.

Net Daily Average U.S. Dollar Collection

On this table one clearly notes the decline that has occurred during the first 4 months of 1989 in the average daily collection of foreign currency on the part of the Central Bank. Whereas, during the last 3 months of 1988, the daily average exceeded $8 million, in April the average was only $5.5 million. This partially explains the greater aggressiveness currently being observed in the Central Bank to collect foreign currency. The decline in collection is due partly to the fact that the widening of the gap between the official and black market rates has reduced the commercial banks' collections through the residual market. [graph omitted]

Official and Black-Market Exchange Rates

The black-market exchange rate, which closed at 6.40 pesos per dollar at the end of December 1988, has increased gradually and steadily during the first months of 1989, reaching 6.63 pesos per dollar (on average) during April 1989. This caused a widening of the gap between the official and black market rates from 5 centavos at the end of 1988 to 28 centavos at the end of April.

Commercial Banks

During the first quarter of 1989 commercial bank deposits (demand deposits, savings deposits, and time and special deposits) increased by 1.394 billion pesos, or 20 percent, in comparison with December 1988. On the other hand, loans and rediscounts increased by 556.6 million pesos, or 11 percent. The fact that loans have increased in a lesser proportion than deposits clearly indicates that the Dominican economy's liquidity levels exceed what is required by the economic activity in a situation marked by exchange and price stability.

Bagricola and FIDE Loans

During the first quarter of 1989 the Agricultural Bank [Bagricola] directed loans amounting to 194.8 million pesos to the agricultural and livestock sector, 74.6 million pesos more than the total granted during the same period of 1988. FIDE [Investment Fund for Economic Development] granted loans amounting to 162 million pesos during the first quarter of 1989, or 50 million pesos more than the amount granted during the same period in 1988. This expansion in credit among those institutions, combined with the rediscounts granted to commercial banks that have acquired financial institutions, with the increasing negative balances of certain state institutions and enterprises in the Reserve Bank, and with the issues causing exchange losses in the Central Bank when the latter pays its own debt and grants preferential rates to fuel imports, could take the economy's overall liquidity to levels incompatible with the exchange and price stability. If we add to this the approaching electoral process, the situation could deteriorate again.

Average Daily U.S. Dollar Approvals

During the first 4 months of 1989 the average daily approvals of foreign currency were as follows: $5.4 million in January and February, $5.7 million in March, and $6.6 million in April. Of the approvals, 25.6 percent pertained to the public sector, and the rest to the private sector.

Central Bank Net Reserves (according to the IMF)

The Central Bank's net reserves declined considerably during the first quarter of 1989. They remained negative, moving from $103.3 million in December 1988 to $120.8 million in March 1989.

Central Bank Gross Foreign Currency Reserves

During the first quarter of 1989 the Central Bank's gross foreign currency reserves declined substantially, dropping from $309.4 million at the end of December 1988 to $242.3 million at the end of March 1989. This reduction was to be expected, because the Central Bank traditionally accumulates foreign currency during the months preceding the payment on the reciprocal credit agreements (December, April, and August), and the volume declines sharply during the months in which these payments occur (January, May, and September).

The 'Top 10'

This table lists, in descending order, the principal public investment projects during the first quarter of 1989, ranked according to the amount of the outlays made by the Central Government. Holding first place was the Villa Juana and Villa Consuelo urban renewal project, with 42.7 million pesos, followed by the expansion of the Las Americas Airport, with 22.2 million pesos. [table omitted]

Central Government Electric Power Payments

During January and February 1989 the Central Government paid 6,600 and 3,600 pesos, respectively, for electric power service. During March this payment rose to 196,800 pesos. The total paid in the first quarter of 1989 was 207,000 pesos. During this period a hotel on George Washington Avenue to which CDE [Dominican Electricity Corporation] provides service for 4 to 6 hours per day paid CDE 840,000 pesos for electric power. Draw your own conclusions.

Central Government Current Contributions to CDE

The Central Government's contributions to CDE during the first quarter of 1989 totaled 30 million pesos: 20 million in January and 5 million during each of the following two months. During the same period in 1988 the Central Government paid CDE 38 million pesos, indicating that the Central Government's assistance to CDE thus far this year has been less than that provided during the first 3 months of last year.

Customs Collections

During the first quarter of 1989 customs collections totaled 564.3 million pesos, 146.2 million more than those for the same period in 1988. Nevertheless, it must be emphasized that, whereas during the first 3 months of 1988 customs was not charging a 20 percent exchange commission on imports, it was charging this during the first quarter of 1989. If this income, which totaled 174.5 million pesos in the first quarter of 1989, is omitted, we find that the customs collections compared with the first quarter of 1988 declined by 28.3 million pesos (6.8 percent) during the first quarter of this year. That drop in customs collections (excluding the exchange commission) was due to the reduction in imports.

Total Fiscal Collections

The total fiscal collections (excluding external funds and Falconbridge taxes in dollars) amounted to 1.2683 billion pesos, reflecting a 36.9 percent (341.6 million peso) increase over the level attained during the first quarter of 1988.

Total Fiscal Income

During the first quarter of 1989 fiscal income totaled 1.3631 billion pesos, 41.8 percent higher than that for the same period last year. This income includes external funds and excludes the foreign exchange income gained from the taxes paid by Falconbridge.

Total Central Government Fiscal Income

When the taxes paid by Falconbridge are counted, one notes that the Central Government's total fiscal income for the first quarter of 1989 amounted to 1.6209 billion pesos, representing a 68.7 percent increase over the first quarter of 1988.

Income Tax Collections

Income tax collections increased extraordinarily during the first quarter of 1989, rising from 188.6 million pesos in the first quarter of 1988 to 353.7 million pesos. This 165.1 million peso (85.7 percent) increase is due mainly to the fact that the wage and salary hikes have caused Dominican blue and white collar workers and executives to pay higher taxes as they rise on the tax scales of Law 5911. Some of the inflationary tax is being paid in this way. The government's response to the demands from workers and business owners for a reform in this tax has been the creation of a commission to study tax reform. It is a matter of having patience.

Internal Revenue Collections

Internal revenue collections increased from 191.4 million pesos during the first quarter of 1988 to 233.2 million pesos for the first quarter of 1989, a 21.8 percent rise.

Revenue From Other Income

The revenue from other income declined 17.3 percent during the first quarter of 1989, compared with the same period of 1988. This reduction was due to the drop in the oil differential owing to the rise in oil prices on the international market and the government's refusal to adjust fuel prices.

Income From 20 Percent Exchange Commission on Imports and Allocation to Central Bank for Foreign Debt Payment

During the first quarter of 1989 the income from the 20 percent exchange commission on imports totaled 174.5 million pesos. Of that amount, the National Office of the Budget [Onapres] allocated to the Central Bank the sum of 110 million pesos to pay the external public debt, clearly revealing that the difference between the amounts collected and those allocated to the Central Bank during the first 3 months of 1989 was 64.5 million pesos. This difference, which was 92.6 million pesos during the first 2 months of the year, declined because, in March, Onapres paid more pesos (89 million) to the Central Bank than were collected by customs through the commission (60.9 million).

Income From Disbursed External Funds

The income from external funds totaled 94.8 million pesos during the first quarter of 1989, 60.5 million more than the amount received during the same period last year, reflecting a 176.4 percent increase. This was the leading source of financing for the Central Government's deficit during the first quarter of this year.

Foreign Currency Income From Falconbridge Tax Payments

The Central Government's foreign exchange income from Falconbridge's payments of taxes on ferronickel exports amounted to $40.6 million during the first quarter of 1989. During the same period last year nothing was received from this source because the negotiations with Falconbridge had not ended. If this rate should continue, that income would total over $160 million in 1989, ranking third among the sources generating foreign currency after tourism and remittances.

Revenue From the National Lottery

The revenue based on the National Lottery's contributions to the Central Government increased by 112.5 percent during the first quarter of 1989 in comparison with the first quarter of 1988. This could reflect a heightening of the inclination toward gambling on the part of a society currently suffering the onslaughts of inflation and attempting to raise its already deteriorated living standard with a stroke of luck in the lottery.

Orientation of Public Spending

During the first quarter of 1989 one notes a public spending orientation more inclined toward public investments than that for the same period last year. Whereas during the first 3 months of 1988, 47.3 percent of public spending was allocated for public investments (priority requirements, excluding foreign debt payments), in the first 3 months of 1989 the share of investments in the total spending rose to 56.8 percent, when they amounted to 699.5 million pesos. This indicates that the Central Government is maintaining a strict policy to control running expenses.

Central Government Investments

The Central Government's investments increased from 232.3 million pesos in January 1989 to 276.2 million in February of this same year, later dropping sharply to 191 million pesos in March. This decline was due to the fact that, in March, the Central Government paid the Central Bank the sum of 89 million pesos for the foreign debt payment—an amount four times larger than that paid during the period January-February 1989. This limited the capacity to disburse funds for public investments during March.

Central Government Deficit

In this table an estimate is made of the Central Government's budget deficit during the first quarter of 1989. When the total expenses and the pesos yet to be paid to the Central Bank from the exchange commission are deducted from the total standard income, there is a budget deficit of 137 million pesos for the first 3 months of 1989. This deficit was financed with Central Bank credit totaling 64.5 million pesos, external funds amounting to 94.8 million pesos, and a 22.3 million peso increase in cash assets. Excluded from these calculations are the foreign currency receipts and outlays in the account kept by the Central Government in the Central Bank based on the taxes in dollars paid by Falconbridge for its exports. [table omitted]

Grenada

Reportage on Killing of U.S. Diplomat, Policeman

Jamaican Radio on Shooting

FL2806181589 Kingston Domestic Service in English 1750 GMT 28 Jun 89

[Text] Today we have a report that a police and, so far, an American official in Grenada was shot and killed. We have a report now, the CANA Radio reports.

[Begin live or recorded report by unidentified reporter] What we have so far is that the police commissioner in Grenada has been shot down. We tried checking that out and we were told that [words indistinct] might have heard from reports on the radio station there that the commissioner was meeting at the fort where Maurice Bishop was killed [words indistinct] policeman and some incident arose and he took out his gun and he shot the policeman.

We have also been trying to check a report that an American (?official) [words indistinct] incident. We checked with the hospital in St Georges and Michael Douglas or rather Douglas answered at the hospital there and said that two persons [words indistinct] treatment from gun shot wounds [words indistinct] incidents at the moment [words indistinct]. The cabinet is meeting there and [words indistinct] to no avail.

The people we have spoken with in Grenada are of the opinion that things are calm. They didn't know... [rephrases] The earlier report has indicated that it might have been drug related but we have no [words indistinct] either verifying those reports. [end report]

[Words indistinct] CANA Radio that the police [words indistinct] in Grenada was shot and we are still trying to check [words indistinct] American official was killed. As as we have more details, we will get back to you.

Assasin Reportedly Kills Himself

FL2806191689 Kingston Domestic Service in English 1842 GMT 28 Jun 89

[Text] [First reporter] As you probably know that the international press (?knows), maybe I should say the world [words indistinct]. The word now out of the United States from the State Department is assistant [words indistinct] did the killing [words indistinct] apparently shot and killed himself. Now, let's hear it from [words indistinct]

[Second reporter] [Words indistinct] and other police officials. One of those present, one of those officials, pulled a gun and aimed at Butler and the police commissioner. [Passage indistinct] the State Department [words indistinct] apparently, he then killed himself. [Words indistinct] unaware of the shootings in Grenada.

Butler was [word indistinct] political officer is said to have family in Grenada.

[First reporter] That report there from (Bernard Shaw). The names of those injured are Barbadian-born Police Commissioner (Collin Barrow), Assistant Superintendent (Daniel Surge), and [name indistinct].

That's the update there on the killing of the [words indistinct] Police Commissioner [first name indistinct] (Raymond) and a U.S. political officer Tom Butler.

AFP Identifies Killer

PA2806200989 Paris AFP in Spanish 1952 GMT 28 Jun 89

[Text] St George's, 28 Jun (AFP)—John A. Butler, a diplomat at the U.S. Embassy in Grenada, and Daniel Cosmos Raymond, the local police chief, were shot to death today in Saint George's, capital of the island, sources close to the Grenadian Government have confirmed.

Both men were shot at 1100 (1500 GMT) in the police headquarters by a policeman, Grafton Bascombe, who died later in still unclear circumstances.

Two other policemen, whose last names are Seales and Barrow, were seriously wounded and taken to the hospital.

The government has so far refused to comment on the incident, but it has announced that Prime Minister Herbert Blaize is preparing a communique.

Misuse of Funds Cited

FL2806222589 Bridgetown CANA in English 2121 GMT 28 Jun 89

[by Sandra Baptiste and George Worme]

[Text] St George's, Grenada, June 28, CANA—Grenada's ailing Police Commissioner Cosmos Raymond and U.S. Embassy Political Attache John Butler were among three persons shot dead here Wednesday, following a row over the possible misuse of American military aid funds.

The Grenada Government named the assailant as Assistant Police Commissioner Grafton Bascombe of St Vincent and the Grenadines, who was on attachment here.

Albert Xavier, advisor to Grenada Prime Minister Herbert Blaize, told newsmen that Bascombe, who was in charge of funds used for last weeks U.S.-financed military training exercise isn the Eastern Caribbean, went to the commissioner's office at Fort George and two shots rang out. Raymond's body was later found behind his desk, with gunshot wounds in the head and stomach.

Bascombe then burst into the office of Barbadian Deputy Commissioner Collis Barrow and opened fire on a meeting he was having with Butler, Assistant Superintendent Daniel Searles, another U.S. Embassy official, Roy Sulivan, and Superintendent Maurice Darius.

Barrow and Searles were admitted to hospital with gunshot injuries. Xavier said a handcuffed Bascombe was subsequently found dead on the floor of a cell at the criminal investigation department [CID] with a wound in the face.

One official here, who asked not be named, said Bascombe and officialdom had been at odds over allegations that he misappropriated funds provided by Washington for last week's "Tradewinds89" military exercises involving the U.S., Britian, and the Caribbean.

Xavier said last Friday that Vincentian Prime Minister James Mitchell had called Grenada Prime Minister Herbert Blaize seeking to have Bascombe immediately returned to Kingstown.

Well placed sources said the Vincentian was unable to leave because he was in the midst of his financial accounting for the "Tradewinds" expenditure. Mitchell himself said Wednesday he had wanted Bascombe back home by "sundown Friday" because he had discovered certain "irregularities". He did not elaborate.

There were lingering doubts here tonight over the exact circumstances of Bascombe's death. According to Xavier, after the shootings Bascombe went on the verandah of Fort George, threw his gun and cap over, ran downstairs to the CID, where he was placed in a cell.

A doctor who was brought to Fort George said he found Bascombe handcuffed, on the ground, with a facial wound.

Blaize said he had been in touch with other Caribbean Community [Caricom] leaders to assure them that security was intact for next week's 10th Caricom summit here.

"This is a traumatic experience and has to be handled delicately," Xavier told reporters.

Nevisian-born Samuel Harvey Brooks has been appointed as acting police commissioner. Brooks is a retired commissioner of police of St Lucia and has been here for the last six months in a training capacity.

The U.S. State Department confirmed Butler's death. An official, speaking on condition he not be identified, said the killing did not appear to be politically motivated. "We were not of the view that he was a deliberate target," the spokesman said.

Washington's account of the St Georges events however differed from Grenada's. The State Department official said the incident took place in the later morning at the police commissioner's officce in St. Georges. Butler was attending a meeting with the police commissioner, his deputy, and others when the assistant commissioner pulled out a gun, shot Butler and the commissioner, and then turned the gun on himself, the official said. The official described the incident as "a terrible tragedy."

Barbados Prime Minister Erskine Sandiford expressed "shock and regret" at the "unfortunate incident which led to injury and death of senior police officials."

"I extend sympathy to the government and people of Grenada at this painful moment and especially to the families of those who have lost their lives, or have been injured including the relatives of Barbadian, Mr Collis Barrow," he said in a statement.

Sandiford said that he had received a request from Blaize for a senior police officer from Barbados to be seconded to the Grenadian police force for a period of two weeks to assist in the present circumstances. "The request is being processed and it is likely that it will be favourably considered," he said.

Death 'Not an Attack' on U.S.

FL2806231089 Bridgetown CANA in English 2141 GMT 28 Jun 89

[Text] Washington, D.C., June 28, CANA—Grenada has assured Washington that the slaying in St George's Wednesday of an American political attache was not an attack on Washington.

The Grenada Embassy here contacted the U.S. State Department, hours after the American, John Butler, was shot dead by a senior officer of the Grenada Police Force at police headquarters in St Georges.

The embassy told Washington it was an isolated incident.

Grenada Embassy Spokesman Denis Antoinne told CANA he explained that "it was a personal breakdown" on the part of a foreign police officer seconded to Grenada.

This was a reference to the St Vincent-born assistant police commissioner, Grafton Bascombe, who officials in Grenada said shot Butler and several others, including Commissioner Cosmos Raymond, following a dispute over U.S. military aid funds for which he had responsibility.

The Grenada Embassy asked that the issue not be seen in any context other than the one in which it happened, Antoinne said.

Grenada's Charge D' Affaires Gloria Payne-Banfield was reportedly meeting with U.S. officials.

A State Department spokesman said arrangements were being made by Butler's family to return the body to the U.S.

CANA on Relations Between Blaize, NNP Leader

FL2806204089 Bridgetown CANA in English 0918 GMT 26 Jun 89

[Text] St George's, Grenada, June 26, CANA—Relations between Grenada's Prime Minister Herbert Blaize and the political leader of the ruling New National Party [NNP] government, Dr Keith Mitchell, have apparently worsened, senior party sources say.

High ranking ruling party sources told CANA that during last week's cabinet meeting, Blaize took the first positive step towards holding an inquiry into all statutory bodies under Dr Mitchell's authority. One official, who asked not to be named, said the prime minister was soon to appoint members of the committee to determine whether any misappropriation of funds were taking place in the public utilities.

He said that during the cabinet session, Mitchell voiced strong opposition to the move by Blaize to investigate his ministry. He spoke of Mitchell trying to block Blaize's attempt to have the terms of reference of the inquiry introduced in cabinet on the grounds that it was not on the agenda circulated prior to the meeting. He also quoted Mitchell as saying that there was a need to conduct inquiries into all other ministries—not only the ones under his control.

Mitchell, who has left the country for Toronto on a mission for the party, could not be reached for comment before his departure.

Blaize has in the past rejected moves by the parliamentary opposition to conduct inquiries into Mitchell's ministry, in particular the operations of the Central Water Commission.

The relations between Mitchell and Blaize have worsened since the public utilities minister replaced the prime minister as NNP political leader at its annual convention in Janaury. Since then, Mitchell has been making an unsuccessful bid to get Blaize to call general elections.

Several eastern Caribbean leaders are reported to have scheduled a meeting with Blaize prior to the July 3-7 Caricom [Caribbean Common Market] summit here to try and resolve the political impasse between the two men.

Haiti

CEH Issues Communique on Radio Soleil Conflict

FL2806161089 Port-au-Prince Radio Nationale in Creole 1300 GMT 26 Jun 89

[Communique issued by the Episcopal Conference of Haiti from its headquarters on 23 June]

[Text] [Begin unidentified speaker recording] There has been conflict in Haiti for some time now in connection with Radio Soleil. There are tracts, incomplete reports, and not entirely true reports circulating. All this makes the reality out to be what it is not.

The bishops of Haiti, meeting as the episcopal conference [CEH], are obliged to cast some light on this situation.

What exactly is going on?

It is simply that there are difficulties. A malaise has arisen, after some of the radio station's personnel sent the administration a memorandum unacceptable in both the memo's content and the way this content was expressed. This memorandum, which was presented to the administration on 29 May 1989, gave orders regarding certain matters that are the prerogative of the administration.

On 10 June, the episcopal council in charge of administering the radio, with the CEH's agreement, sent a note—a note which was never read over the radio—to the radio station's administration and personnel through the secretary general (?of) the CEH. The members of the station personnel present refused outright to meet with the secretary general. The reason they gave was that the meeting was called too late and that they had already prepared other work for which they were responsible.

A few days earlier, the administration had sent a letter to the radio's program director asking him to regularly play a brand new station identification, and to eliminate the old one. This led to no results.

On 5 June, the employees decided to suspend their normal programs, and they said several times that they were doing it to protest against the administration.

Despite all the talking that went on, between both the administration and the programs director and between certain members of the radio station personnel and the chairman of the board of directors, the administration was unable to get the new station identification played, or to get the old one canceled.

In view of this refusal, the radio's director was obliged to terminate the services of the programmer in a letter dated 21 June approved by the president of the episcopal administrative council and ratified by the CEH's secretary general.

After this termination, Radio Soleil several times ran an editorial as bitter as bile denigrating the members of the board of directors and defying the representatives of the CEH. In what institution on God's good earth do employees have the right to use an institution's tool to insult its officials?

Should the Haitian church be the only institution on earth obliged to take all kinds of humiliations from the people it took on as its partners in its mission to evangelize, because it trusted them?

If the CEH has turned the radio station over to collaborators, they must announce with respect the Gospel of Jesus Christ, which is made of truth, justice, serenity, and love. The CEH did not turn the radio station over to people so they could attack the church, denigrate people, and protest against the decisions the authorities gave that were made in the course of exercising their mandate to administer.

If these dispositions have not been followed, it is (?because) there is disagreement on what is essential. This (?might lead to) severe measures in keeping with what the episcopal conference (?is asking).

By publishing this communique, the CEH is not trying to enter into polemics with anybody. The CEH takes this opportunity officially to announce that it has chosen a new program director for Radio Soleil.

This communique is from the CEH headquarters on 23 June 1989.

[Signed] Monsignor Emmanuel Constant, bishop of Gonaives, president of the board of directors of Radio Soleil; Monsignor Alix Verrier, bishop of Les Cayes; Monsignor Joseph Lafontant, auxiliary bishop of Port-au-Prince and secretary general of the CEH; Monsignor Louis Kebreau, auxiliary bishop of Port-au-Prince; and Monsignor Francois Gayot, archbishop of Cap-Haitien, president of the CEH. [end recording]

We hope that in the future [Radio Nationale technician] Gerard Beaubrun will sit down with us to plan, together, so that we can organize the newscast normally.

Well, that was the CEH you just heard, in a message to the nation aimed especially at explaining the current conflict within Radio Soleil.

Bishops Reportedly Censured

FL2906013989 Port-au-Prince Radio Metropole in French 1145 GMT 28 Jun 89

[Excerpts] The crisis at Radio Soleil—the conflict between the radio station's personnel and its administration—continues. Smoy.

[Smoy] The clouds of misunderstanding are still darkening the sky over Radio Soleil, where normal programming has been disrupted since Monday following a decision by the station's personnel to protest the firing of Soleil's programs director and the administration's refusal to engage in dialogue.

The radio has been broadcasting only recorded music, prayers, and a note of protest by the employees of the Catholic Church's radio station in which they reject the appointment of a new programs director to replace Joseph Georges.

Numerous associations continue to react to this crisis persisting at Radio Soleil. The many reactions noted condemn the position of the Haitian bishops. CATH [Automonous Organization of Haitian Workers] severely criticizes the Catholic Church hierarchy, which it accuses of being opposed to change and of taking action against justice and truth. [passage omitted]

(Rajkap), which is the Assembly of Young Christians of the Archdiocese of Port-au-Prince [Rasanbleman Jen Kretyen nan Achidiosez Potoprins] and is made up of eight groups—SAJ [Solidarity Among Youth], JEK [Christian Student Youth], Keep-an-Eye-on-Them Cooperation Group, TRL-Saint Jean Bosco [expansion not provided], TKL-Saint Joseph [expansion not provided], Saint Jean Bosco Church Prayer Group, Solidarity and/or Joint Action Group [Group Tet Ansanm], Kovvak [expansion not provided]—and several other associations accuse the bishops of openly siding with the macoutes. These associations say the bishops side with Father Sicot, who sows terror, and reject Father Aristide, who preaches the Gospel of deliverance, and have shut down Misyon Alfa [Catholic Church literacy program] to keep the masses steeped in ignorance.

(Rajkap) also accuses the bishops of now wanting to destroy Radio Soleil.

CATH Supports Workers

FL2906013189 Port-au-Prince Radio Nationale in Creole 1300 GMT 27 Jun 89

[Excerpts] Well, the big news this week is Radio Soleil, after the Episcopal Conference of Haiti [CEH] decided to fire Radio Soleil's programs director.

We remind listeners that the CEH issued a message last weekend setting forth its position on the problem of the demands being made by Radio Soleil's personnel following the dismissal of the radio station's programs director. [passage omitted]

However, after this CEH message, the Radio Soleil employees did not budge an inch. They continued to ask that the programs director be rehired. And indeed, we have noticed that Radio Soleil has not been on the air since yesterday. We have noticed that it has not even aired any newscasts since yesterday afternoon.

CATH, Autonomous Organization of Haitian Workers, has made some comments on this current crisis within Radio Soleil.

CATH says it has not trusted the Haitian bishops for a long time now, because they constitute one of the sectors that kept the dictatorship in place in Haiti for 30 years. All through the Middle Ages, through the colonization of Saint Dominque, and all the way up to the present, the high-ranking Catholic Church bigshots have always been opposed to any and all change. The high-ranking Catholic Church bigshots have always been deeply involved in underhanded wheeling and dealing and in crimes committed throughout the world, says the CATH, whose headquarters is on Rue des Casernes [street].

The CATH makes all kinds of analyses, and says, further on, that if Namphy can today declare that the Catholic Church is the cause of the Saint Jean Bosco Church massacre, only the church knows in what way and to what extent the church's high-ranking bigshots had anything to do with that massacre—what contribution they made to it and how they participated.

Further on, the CATH respectfully salutes this staunch militant—meaning the programs director—whom CATH says has been booted out of Radio Soleil by certain elements from among the forces of darkness, whereas these same elements have remained silent about all the things done by Father Sicot [Father Occide Jean, recently arrested by the Haitian Government for alleged arms trafficking].

CATH asks fired programs director Joseph Georges to continue to be militant, continue to struggle, in whatever part of Haiti he may be, so as to have the struggle progress.

CATH asks all workers, peasants, staunch patriots, and true Christians who believe in the love of Jesus Christ to be in solidarity with Joseph Georges in any way they can. CATH asks all journalists struggling for freedom of the press in Haiti, particularly the remaining Radio Soleil journalists, to rise up against this abusive dismissal and go on strike to show their displeasure with the dishonest action of these macoutes in cassocks. [passage omitted]

We have also received a copy of an open letter from the personnel of Radio Soleil. This copy came from the administration of Radio Soleil. The personnel of Radio Soleil signed this note, of which we have received a copy here at Radio Nationale, on Delmas 33. [passage omitted]

Some of the signatures are: Colette Lespinasse, Venel Remarais, Eddy Louis-Jacques, Marie-Josee Casimir, (Maxim Phanord) and several other journalists and other members of Radio Soleil's personnel.

We are following the evolution of this current crisis within Radio Soleil and will keep you informed.

Fifth Group of Detectives Summoned by Police

FL2806235489 Port-au-Prince LE NOUVELLISTE in French No 35.570, 26 Jun 89 p 11

[All names as published]

[Text] In a follow-up to the Ministry of Interior and National Defense communique of 19 May 1989, the Port-au-Prince police ask the following, fifth, group of former Dessalines Barracks detectives to bring in to police general headquarters on the Champ de Mars as soon as possible the weapons and cards in their possession: Max Piquion, Lucien Bazile, Raoul Valde, Fontenel Joseph, Antoine Gedeon, Max Carre, Jorbey Alexis, Roosevelt Gervais, Joseph Diery, Isaac Bazile, Felix Jemelus, Wilfrid Merilain, Dieudonne Charles, Pierre Antoine, Harry Louis, Dieuveut Laurore, Anthony Boyer, Liernard Dorismain, Jean Huc, Fritz Desrosiers, Michel-Ange Midy, Moise Ariston, Constant

Fenelon, Lionel Pierre, Jean-Ernest Bazile, Arnold Placide, Milan Nicolas, Luckson Tertulien, Montas Saint-Hilaire, Yvon Pierre-Noel, and Sony Charles.

By order of Lieutenant Colonel Augustin. [Signed] Jodel Lessage, executive officer in charge of public relations.

Drivers Unions Announce Strike for 4-6 July

FL2806203089 Port-au-Prince Radio Metropole in French 1145 GMT 28 Jun 89

[Excerpts] The first news to report this morning is the unions' new offensive against the government. The unions have announced 3 days of public transportation strikes—next Tuesday, Wednesday, and Thursday [4, 5, and 6 July].

[Begin unidentified speaker recording, in Creole] [Passage omitted] We felt it necessary to give the baccalaureat exam candidates the opportunity to take their tests this week. However, we maintain our position. We will continue to struggle to get the government, or at least the authorities, to respond to our two demands. [end recording]

The drivers union authorities feel that the country has no leaders. Those in power think only of enriching themselves. The Bourdon bridge, put out of service more than 2 months ago by the Department of Public Works, Transportation, and Communications was referred to.

[Begin unidentified speaker recording, in Creole] We see that the country is like a body without a head. No one is directing it. No one is thinking for the country. It is a body without a head. When we talked to him about the destroyed bridge they haven't fixed, the minister of commerce told us the destroyed bridge was an accident, that it was not something that was in the government budget. Therefore, we see that these people are governing simply in order to fill their pockets. They are not governing as one really should, for we know that to govern is to have foresight. That is why we see that it would be complicated for us to have a strike over roads, because they would have to fix roads all over the country. [end recording]

Hunger Strike Possible

FL2906014889 Port-au-Prince Radio Metropole in French 1600 GMT 28 Jun 89

[Excerpts] The public transportation drivers are going to resume their offensive against the government. They have announced a 3-day strike, beginning Tuesday 4 July, and they continue to demand that the price of gasoline be lowered and the head of the traffic department be transferred. The drivers unions held a press conference yesterday. [passage omitted]

[Begin unidentified speaker recording] [Passage omitted] We were to have gone on strike this week. However, at the general assembly we [words indistinct] with the drivers, we analyzed the situation together. Since we had said we would give the students a chance to take their tests, and since the baccalaureate exams were to begin yesterday, we decided we could not discriminate between different types of students. [passage omitted] We decided we had to give the baccalaureate candidates a chance to take their tests too. [end recording] [passage omitted]

Regarding their quarrel with Major Isidor Pongnon, the drivers explain: We don't have any problem with Pongnon personally. We simply don't think he is the right man for the job.

The reason given is Pongnon's absolute refusal to, like his predecessors, engage in dialogue with the drivers. The drivers also reproach Pongnon for having made impolite statements about them. [passage omitted]

This general public transportation strike could also lead to a hunger strike by the drivers [les interesses], should the authorities persist in not responding to change. [passage omitted]

Labor Union President Holds News Conference

FL2806202589 Port-au-Prince Radio Nationale in Creole 1300 GMT 27 Jun 89

[Excerpts] Nothing has changed in Haitian labor union circles from 1986 to the present, said the president of the Confederation of Haitian Blue-Collar Workers [Konfederasyon Ouvriye avek Travaye Ayisyen] KOTA, a labor federation that has just come on the scene, during a news conference yesterday morning. [Reporter] Michel Lubin was there and will give us details.

[Lubin] The Confederation of Haitian Blue-Collar Workers, whose acronym is KOTA, has been operating since 1987, said KOTA President (Jacques Louis Saint-Pierre) at a news conference yesterday morning at the confederation's headquarters on Rue des Cesars [street]. Also present were two representatives of the CGT [expansion not provided]: Claude Jourdain, director of Institut (Louis Saillant), and (Kenneth Guy), an employee of that same institute.

KOTA President (Jacques Louis Saint-Pierre) said that although KOTA hadn't done much, it had issued a few press releases, when something wasn't going well. He said the news conference was a way for KOTA to introduce itself to the press, and also a way for KOTA to define the work it is doing in union circles.

(Saint-Pierre) says KOTA is a labor federation that is in the interest of the working class. He added that Haitian workers cannot live off $3.00 per day, which constitutes a miserable wage. This $3.00 wage is not even respected because some workers make less than $3.00. Not even the government pays more than this very small amount of money. KOTA places its confidence in everyone who believes in serious work and who believes in the work

they are undertaking for greater well-being. (Saint-Pierre) said that it was their practice that was going to define the federation. Thus, he discussed the history of the Haitian union movement.

[Begin (Saint-Pierre) recording] [Passage omitted] And we also realize that from 1986 to the present, nothing has changed. All the difficulties continue. After 3 years, all the labor federations are the victims of all kinds of repression, and the workers also still have the same miserable wages they had before 1986. [end recording]

Police Arrest Man for Distributing Leaflets

FL2806155689 Port-au-Prince Radio Metropole in Creole 1600 GMT 26 Jun 89

[Report by Jacmel correspondent Pierre Nazon Boliere]

[Excerpts] [Passage omitted] Saturday 24 June was the festival of La Vallee de Jacmel's patron saint, Saint John the Baptist. The police arrested a young man who was distributing tracts that said: Long live Manigat, president. [passage omitted] There were other people with him, but the police were unable to catch them. [passage omitted]

RDNP Protests Arrest

FL2806234289 Port-au-Prince Radio Metropole in French 1600 GMT 27 Jun 89

[Text] The RDNP [Assembly of Progressive National Democrats] has issued a note of protest following the arrest last weekend in Jacmel of an RDNP member who was distributing tracts.

We read: The RDNP's central office has learned, with indignation, from Jacmel that (Mama Dad) [name as heard], the RDNP representative in La Vallee de Jacmel, has been arrested. The reason for jailing him seems to be that he was distributing stickers on which were written these simple words: Long live Leslie Manigat, president of Haiti.

The press release continues: The RDNP, basing itself on both the spirit and the letter of the Constitution of 1987 and convinced that its members' well-disciplined behavior excludes any kind of provocation, most vigorously protests the arbitrary nature of this arrest. Consequently, the RDNP demands the immediate release of Mr (Dad), (?who is also known as) (Mama). The RDNP wishes to continue its militant action throughout Haiti until the final victory.

This RDNP press release is signed by Pierre Richard, coordinator of the central office and the regional offices, and Rodrigue Jean-Charles, coordinator responsible for the propaganda department.

MPP Press Release Protests Management Abuses

FL2906015289 Port-au-Prince Radio Metropole in French 1600 GMT 28 Jun 89

[Excerpt] In a press release, The MPP, Papaye Peasants Movement, protests the abusive treatment to which the MPP claims Haiti's section chiefs subject the peasants. The MPP says it has determined to continue the struggle to not only get the macoute section chiefs fired but also to change this corps' vocation.

In the press release, the MPP expresses its concern over the elevated number of section chief's assistants in Hinche and Cerca La Source, where a total of 6 section chiefs have a total of 354 assistants. The MPP is also concerned about the great number of centers for detention and judgement which the MPP says exist in the homes of section chiefs. [passage omitted]

Modelh/PRDH Head Demands Election Security

FL2906011989 Port-au-Prince Radio Metropole in French 1600 GMT 27 Jun 89

[Text] Lawyer Francois Latortue, the head of the Modelh/PRDH [Democratic Movement for the Liberation of Haiti/Democratic Revolutionary Party of Haiti] has visited Cap-Haitien. Mr Latortue broached the subject of his party's participation in future elections—but only on the condition that security be reestablished in Haiti, Latortue said.

[Cap-Haitien correspondent Jimmy Prophete] In an interview with Radio Cap-Haitien, Mr Francois Latortue, the Modelh/PRDH's number one man, gave to understand that his party will participate in future elections, but only if there is a climate of security and if the Army decides to [word indistinct] the electoral process.

[Begin Latortue recording, in Creole] In principle, it is the Electoral Council that is responsible for the elections. However, in order for elections to be held, for Modelh to participate, there would have to be a climate of security. And the Army, which has been in power for the past 3 years, would have to provide the necessary security.

I think it is in the interest of us all to... [changes thought] I think people in the Army are patriots too. Everyone can see from the way the situation is going around and around in circles that we are not going to get anywhere with de facto governments. Thus, I think all members of the Army, as well as all civilians, must realize that it is elections that must get the country out of this situation. We should all want to get the country out of this situation, because the country is at present blocked.

There are a number of problems arising that would not have arisen had we had elections in the proper climate and had we had a democratic government: from, for example, the gasoline problem, which would not have arisen the way it has, to all the other problems, such as the problem of cost of the U.S. dollar which (?has risen)

to 30 percent and might even go to 40 percent. In general, we wouldn't have all this economic blockage if we had a legitimate government instead of a de facto government—a legitimate government supported by the majority of the population, a government which had set to work to safeguard the country and at the same time carry out real development programs. [end recording]

Mr Latortue was in the Department of the North to attend the patron saint's day festival of Trou du Nord, where he says there are many Modelh members. He was also in northern Haiti to evaluate the work of several party offices spread out over the north.

This is Cap-Haitien, Jimmy Prophete, Radio Metropole.

PUCH Youth Delegation Departs for DPRK

FL2906000489 Port-au-Prince L'UNION in French No 161, 27 Jun 89 pp 1, 12

[All names as published]

[Text] The Unified Party of Haitian Communists [PUCH] informs the nation that a delegation made up of 11 youths and led by Comrade Rony Mondestin left on Friday 23 June 1989 for Pyongyang to participate in the 13th World Youth and Student Festival.

This delegation, made up of artists, students, and workers, will introduce Haitian reality and the Haitian people's battle for change, freedoms, and socialism to youths from all over the world. It will carry to the people of the Democratic People's Republic of Korea the solidarity of the Haitian people with their struggle for the reunification of their country.

The following is a list of the members of the Haitian delegation: Rony Mondestin, Marie Elisabeth Senatus, Samuel Louis Jean, Domingo Morel, Marie Edwine Vieux, Ancelot Fleurant, Jean Kelly Damis, Marie Anite Basile, Raoul Altidor, Robinson Desrosiers, and Frantz R. Obas.

[Signed] Max Bourjolly, member of the PUCH secretariat

Justice Department Appointments Announced

FL2906002589 Port-au-Prince LE NOUVELLISTE in French No 35.570, 26 Jun 89 pp 1, 4

[All names as published]

[Text] By decree from the military government of the Republic dated 21 June 1989, Mr Alix **Lilavois** is appointed director general of the National Telecommunications Council (Conatel).

Also, the following appointments in the Justice Department have been made by presidential commission:

Mr Luc **Fougere** is appointed deputy representative of the Department of the Public Prosecutor before the Court of Cassation.

Mr Jean-Claude **Banica** is appointed deputy representative of the Department of the Public Prosecutor before the Court of Appeals of Port-au-Prince.

Mr Willy **Jean Felix** is appointed deputy representative of the Department of the Public Prosecutor before the civil court of Jeremie.

Mr Emmanuel **Saint-Amour** is appointed doyen of the civil court of Petit Goave.

Mr Marceau **Brutus** is appointed judge, Court of Appeals of Port-au-Prince.

Mr Clermont **Dossous** is appointed notary in Kenscoff.

Mr Alix **Labissiere** is appointed surveyor in Port-au-Prince.

Mr Rigaud **Midy** is appointed surveyor in Port-au-Prince.

Mr Phaniel **Antoine** is appointed surveyor in Arcahaie.

Furthermore, Mrs Colette **Hall Chancy** has been appointed immigration officer by presidential commission dated 15 June 1989.

[Dated] Port-au-Prince, 23 June 1989

[Signed] Directorate of Information

Baccalaureate Exams Begin; No Crises Reported

FL2806234789 Port-au-Prince Radio Metropole in French 1600 GMT 27 Jun 89

[Excerpt] The baccalaureate exams began yesterday. There were no incidents in any of the 16 towns in Haiti where baccalaureate exams are being held. Over 30,000 candidates are taking these exams. [passage omitted]

Jamaica

U.S. Drug Enforcement Agent Reported Kidnapped

FL2806150089 Bridgetown CANA in English 2141 GMT 27 Jun 89

[Text] Kingston, Jamaica, June 27, CANA—A United States drug enforcement agent was kidnapped while on an operation in the Jamaica tourist resort town of Ocho Rios, the DAILY GLEANER newspaper reported here Tuesday. But the U.S. Embassy in Kingston denied any knowledge about the alleged kidnapping.

The GLEANER reported that the agent, believed to be a member of the South Florida Joint Task Force Against Drugs, was posing as a long-stay tourist and was kidnapped on the night of June 15 in the parking lot of a popular Ocho Rios night spot.

According to an embassy spokesman, "there is no ground for the GLEANER's front page story." He said that the only DEA agents in Jamaica were those assigned to the DEA office at the embassy. He was unable to say whether or not they were involved in field operations in the island.

The GLEANER quoted sources as saying that the agent and his colleagues had been working on a "sting" operation in the hope of trapping a cocaine network with links to South America, Jamaica, and Florida. He was reportedly bundled into a waiting rented car, driven to a nearby airstrip, and flown away in a light aircraft. The agent was said to be one of more than a dozen operating throughout the island, many of whom work independently of the local police force.

The GLEANER quoted a police source as saying that "they (foreign agents) don't trust anyone", and it was likely that "we (the local force) will be the last to know." It was said that another agent has been missing from the Kingston area. The drug enforcement officers are in Jamaica as part of the cooperative efforts between Jamaica and the United States to stamp out the drug trade.

Manley Supports War Against Drug Trafficking

FL2806141089 Bridgetown CANA in English
1750 GMT 26 Jun 89

[Text] Kingston, Jamaica, June 26, CANA—Jamaica Prime Minister Michael Manley in a message to mark the International Day Against Drug Abuse and Drug Trafficking, has said that both represented one of the greatest threats to humanity in the 20th century.

The time had come, he said, to mobilise an international narcotics force in the fight against drug abuse. Drug abuse and drug trafficking constituted a "scourge that had become a brutal and complete international criminal conspiracy," Manley said. "This international criminal network maintains its viability through entrenched organised crime, not only in developed countries which provide a rapidly growing market and increasing consumer demands, but also in Third World countries which play the role of producers and often serve as trans-shipment ports."

Internationally, the drug cartels had saturated the North American market and was now targetting Europe, he said. Manley said that Jamaica was not only a major producer, but was increasingly being used as a trans-shipment area. He said alot had been accomplished in controlling the supply side of the problem, particularly in the area of marijuana eradication programmes, intelligence and interdiction, but much more needed to be done.

Trinidad and Tobago

Party Supports Robinson Cabinet Nominations

FL2806183089 Bridgetown CANA in English
1800 GMT 26 Jun 89

[Text] Port-of-Spain, Trinidad, June 26, CANA—The ruling National Alliance for Reconstruction (NAR) party here on Sunday gave its full support to Prime Minister A.N.R. Robinson's controversial naming of five former Trinidad cabinet ministers alleged by an official enquiry to have been linked to the local narcotics trade.

"The NAR totally repudiates and rejects the unwarranted attacks on the prime minister and commends him for his strength and fearlessness in finally removing the veil of secrecy which had, for so long, protected the identities of an illustrous few, while the names of scores of other citizens had been published to the world more than years ago," a resolution from the national council meeting in Tobago Sunday said.

In their unanimous support of the prime minister, who was faced a barrage of criticism from the newspapers and the legal profession, the party declared that it was of the categorical and unequivocal view that in the disclosure of the names of the former PNM [People's National Movement] ministers, the prime minister had the inescapable responsibility to provide the informationa demanded of him."

Prime Minister Robinson, who sought to steer clear of making comments of the issue since it was before House Speaker Nizam Mohammed to decide whether he should be brought before a parliamentary privileges committee, did say that most of the criticism levelled against him regarding the incident was based on distortion of facts, bias, and misrepresentation, the TRINIDAD GUARDIAN reported Monday.

"When the population knows the facts, I am sure some who have been misled by what they read only in part, when they get to know the full information, they will come to a sounder judgement," the paper quoted Robinson as saying.

Costa Rica

Arias Meets With M-19 Leaders, Supports Talks

PA2806145689 Panama City ACAN in Spanish 0148 GMT 28 Jun 89

[Text] San Jose, 27 Jun (ACAN-EFE)—Today, Costa Rican President Oscar Arias Sanchez expressed moral support for the continuation of negotiations between the Colombian Government and the rebels in that country. This was announced by Antonio Navarro Wolff, second in command of the 19 April Movement (M-19).

Navarro Wolff said that Arias, with whom he met on Tuesday in San Jose (Costa Rica), encouraged the M-19 to continue the talks with the government and showed much interest in the progress of the negotiations.

An "M-19" delegation made up of Navarro Wolff; Commander Rafael Camargo, member of the M-19 National Directorate; and Heverth Bustamante, director of the M-19's international affairs department, met with Costa Rican President Arias and discussed the progress being made in the negotiations.

The rebel leader said that this is the first time the Colombian rebels have met with the president of another country. He also praised Arias for being awarded the 1987 Nobel Peace Prize.

Costa Rica is the first stop in the M-19 delegation's tour that will take them to Ecuador and Peru next week and to Spain and other European countries the week after.

"We came to ask his advice," Navarro Wolff said, adding that President Arias told them that he was "interested in the process they were carrying out" in Colombia to achieve peace through a political solution. Arias promised to stay abreast of the situation.

Navarro added that the "M-19" believes that in the dialogue between Virgilio Barco's government and the rebels, there is "a willingness on both sides" to reach a peaceful solution to the problem in the country.

Within this context, Navarro Wolff stressed that the talks between the government and the political parties have resulted in a "detente" in Colombia that has reduced the number of political assassinations. In 1988, there were approximately 4,000 political assassinations, Navarro Wolff added.

However, Bustamante justified the tour as a way to seek political support to overcome the obstacles the "M-19" feels it is confronting in the final phase of the process that should culminate with the signing of a joint statement to be presented for approval to the Colombian parliament on 10 July.

The issues that represent obstacles in the dialogue are those regarding the "withdrawal" of the Liberal and Conservative Parties from the talks, because their main concern in the talks is the political campaign that will culminate with the 1990 elections.

The delegation arrived from Panama. Tomorrow it will meet with San Jose Archbishop Roman Arrieta and former Costa Rican President Rodrigo Carazo. The delegation also plans to meet with the presidential candidates of the main political parties.

According to Navarro, the agreement between the government and the political parties must lead to an expansion of democracy in Colombia.

Navarro recalled that a week ago, M-19 leader Carlos Pizarro Leongomez sent a letter to President Barco proposing a "referendum" to, among other things, let the Colombian people decide if a more modern Electoral Law is necessary.

He added that in Colombia, the regime and the electoral policies are "obsolete"; therefore, resorting to arms rather than political participation is "more profitable."

Navarro said that the ideas of "the other" rebel organizations differ from those of the M-19 but the M-19 respects these ideas nonetheless.

El Salvador

ARENA's Ochoa on Need To Restructure Military

PA2806143389 San Salvador Canal Doce Television in Spanish 0300 GMT 27 Jun 89

[Report on statements by Retired Colonel Sigifredo Ochoa Perez, member of the Nationalist Republican Alliance (ARENA) and president of the Lempa River Hydroelectric Executive Commission (CEL), in San Salvador on 26 June—passages within quotation marks recorded]

[Text] In condemning the assassination of Colonel Roberto Armando Rivera, director of the National Firefighters Corps, Col Ochoa stressed the need to provide the Armed Forces with all the necessary material and legal means to strengthen their struggle against the FMLN [Farabundo Marti National Liberation Front]. He added that the military must also be restructured.

[Ochoa] "The truth is that force alone will not suffice because this war cannot be finished only through military means. Although the military element is a very important one, we believe that the Armed Forces also must be provided with the necessary material and legal means to continue the struggle against terrorism. We are not fighting against Robin Hood but against terrorists.

"The Armed Forces are playing a very key role, but the strategy they have used so far must be changed, and the military must be restructured. Above all, the Armed Forces' strategy and tactics must be changed to successfully combat these irrational terrorists."

Col Ochoa made those statements after announcing during a new conference the reinstatement of 31 more CEL workers who had been fired by the previous administration. In all, 44 CEL workers have been reinstated so far.

[Ochoa] "This is the result of a good understanding between labor and management. The CEL agreed to replace certain workers with other workers proposed by their labor representatives in those cases that were deemed appropriate. I believe all these cases of disagreement should not have existed because we can solve problems by discussing them in good faith."

Ochoa also announced the establishment of a labor-management committee to avoid problems such as those in 1988 that prompted workers to hold several strikes and prompted management to fire workers because, to use Col Ochoa's words, of a lack of communication.

Official on Members of Dialogue Commission

PA2806161789 San Salvador Canal Doce Television in Spanish 0300 GMT 28 Jun 89

[Report by Mauricio Funes]

[Text] Jose Francisco Guerrero, President Alfredo Cristiani's private secretary, said today that progress is being made in forming the official dialogue commission. However, he said that there were some problems because two leaders who were invited by President Cristiani to join the commission have not confirmed their participation.

[Begin Guerrero recording] Four of its members have already confirmed they will participate: Dr [Armando] Calderon Sol, Dr Francisco Jose Guerrero, [Julio Adolfo] Rey Prendes, and Dr Escobar Galindo. I hope [name indistinct] will confirm his participation. I have some doubts about what decision Dr Mario Reni Roldan will make. Knowing Dr Mario Reni Roldan [words indistinct], I presume he will refuse. [end recording]

Like President Cristiani, Guerrero thinks the Catholic Church should remain outside this commission. This is a change from the Duarte Administration's dialogue policy.

[Begin Guerrero recording] Constitutionally, I do not think the church has any purview over political affairs. Nevertheless, it must be left as a mediator so that when things become difficult, one can use it as a mediator. I do not think it is advisable that it be a participant in the dialogue. It is not that we are looking askance at it, but I do not think it is in its interest to participate. [end recording]

Guerrero said that to date the FMLN [Farabundo Marti National Liberation Front] has not responded to President Cristiani's invitation to be part of the commission. I hope, he said, that once the names of the politicians who will participate in the commission are announced, the FMLN will propose its representatives.

Assembly Elects Supreme Court President

PA2806154189 San Salvador Canal Doce Television in Spanish 0300 GMT 28 June 89

[Report by Mauricio Funes]

[Text] Dr Mauricio Gutierrez Castro was elected new president of the Supreme Court during today's session of the Legislative Assembly. The ARENA [Nationalist Republican Alliance] and MAC [Authentic Christian Movement] deputies voted for him. The other Supreme Court justices and their alternates were also elected.

This Supreme Court is the result of negotiations in which ARENA sought support from other parties. In the end, it was only able to obtain the support of the MAC by promising that the wife of [MAC leader] Julio Adolfo Rey Prendes will become attorney general. The Christian Democratic Party and PCN [National Conciliation Party] deputies did not participate in the vote. The PCN deputies were not even present when the votes were cast.

The 14 justices of the various Supreme Court chambers were elected with the ARENA and MAC votes. The court's president is Dr Mauricio Gutierrez Castro, a member of the ruling party. Dr Jorge Antonio Jean Mateu, Marcos Gabriel Villacorta, Jose Antonio Duenas, and Jose Enrique Silva will go to the constitutional chamber. The other chambers will be filled by Dr Ricardo Avila Moreira, Francisco Arrieta Gallegos, Roberto Romero Carillo, Oscar Rodriguez Diaz, Mario Dalberto Rivera, Atilio Ramirez Amaya, Humberto Guillermo Cuesta, Fabio Hercules Pineda, and Manuel Francisco Cardona. Cardona leaves his post as attorney general and will be replaced by Dr Rhina de Rey Prendes, the wife of Julio Adolfo Rey Prendes.

Honduras

Nicaraguan Defector Reveals Alleged Plot

PA2806200189 San Pedro Sula TIEMPO in Spanish 28 Jun 89 pp 10, 39

[Unattributed report: "Alleged Nicaraguan Defector: Ortega Ordered Killing of Azcona, Flores, Callejas, and Msgr H. Santos"]

[Text] San Pedro Sula—A man claiming to be a captain in the Sandinist People's Army [EPS] revealed here yesterday that the government of President Daniel Ortega Saavedra had planned to assassinate President Jose Azcona Hoyo, presidential candidates Rafael Leonardo Callejas and Carlos Roberto Flores Facusse, and

Msgr Hector Enrique Santos, in order to destabilize Honduras and encourage an "uprising by the people" against the Honduran Armed Forces.

Orlando Adan Solorzano Martinez, the supposed captain, said he is a deserter from the Nicaraguan Government's General Directorate of State Security [DGSE]. He said that the assassination of General Gustavo Adolfo Alvarez Martinez, former commander of the Honduran Armed Forces, was planned in Nicaragua because of the cooperation the Honduran officer provided to the counterrevolutionaries.

Orlando Adan Solorzano Martinez said he was born on 19 July 1954 in Managua and that he is known in the Sandinist Front as "Omar" and "Angel." He explained that he entered the Sandinist National Liberation Front (FSLN) in 1974 through the Revolutionary Student Front and that up to 1979 he was one of the chiefs of the urban guerrillas. Specifically, he was chief of the People's Brigades. He added that after the revolutionary victory, he was assigned to DGSE headquarters and was chief of various sections—one of the latest being chief of the Special Investigations Section—until he was sent to Honduras in August 1988.

He said that while chief of that section, he was closely linked to Commanders Tomas Borge Martinez, Luis Carrion Cruz, and Gregorio Lenin Cerna Juarez. He said he had a close relationship with the latter in special missions that required political trust.

Among those missions, he mentioned the one carried out in 1981 when there was an uprising of unarmed Miskitos. He stressed that "Commander Tomas Borge's reaction was to order Commander Lenin Cerna to send me to Puerto Cabezas to review the situation of those who were captured. At that time, they numbered approximately 150."

"When I arrived there, I coordinated with Commander Manuel Calderon, who at that time was Tomas Borge's delegate and who is now chief of the DGSE Political Directorate. We reviewed the situation and found that there were 18 Miskitos who had been captured without any witnesses. Commander Borge was immediately notified and he replied that they should be executed."

The Sandinist officer explained that these Miskito prisoners were executed by Subcommander Marcos Arevalo, who was the chief of the special troops and who is currently chief of the Tipitapa jail. He said that the bodies of the prisoners were thrown in the sea 1 km north of the Puerto Cabezas pier. Solorzano Martinez said he wanted to mention that among the actions carried out by the DGSE from the victory of the revolution to 1988 was what was called Operation "Poseidon," which lasted from 1983 to the end of 1988 and during which dozens of people being held by state security were executed. These included Nicaraguans and foreigners, including Hondurans. He did not specify the number. He added that the operation lasted 3 [as published] years and that as soon as the foreigners entered Managua, they were executed by the security agents.

He said that dozens of bodies of these strangers were thrown in the Masaya lagoon. He added that if the Inter-American Human Rights Commission guarantees his life and personal security, he can take it to the exact site.

The officer continued recounting that in 1987, when the Central American foreign ministers held their first meeting in Managua, after the Esquipulas, Guatemala summit, "I was assigned to be security chief at the Intercontinental Hotel. The objective of that task was to assist with the espionage activity against all the delegations. Honduras was represented on that occasion by Foreign Minister Carlos Lopez Contreras and Defense Minister Colonel Wilfredo Sanchez."

"Once the delegations were assigned their rooms, microphones were placed in the rooms. Captain Emilio Alvarez, who had been in charge of the espionage section since 1980, was in charge of the listening task. The control room for the microphones was located in Room No 415 on the fourth floor."

He said the microphones were installed so that Foreign Minister Miguel D'Escoto could learn the plans that the delegations were going to present the following day and, in this way, he could neutralize them when they were not in the Nicaraguan regime's favor or interest. The supposed Sandinist captain said that on 24 August 1988 he was assigned, along with two other comrades—whom he did not identify—to special missions in Honduras. He explained that there are Nicaraguan security officers on espionage and sabotage "missions" in the Central and South American countries and that in Honduras they operate as teams with specific missions.

Captain Solorzano said that as far as his two comrades' identities are concerned, he would only reveal that information to the proper authorities if his personal security is guaranteed and he is granted political asylum.

Solorzano explained that he and his comrades entered Honduras at a location on the border where it is difficult to detect intruders, following precise instructions from Commanders Tomas Borge and Lenin Cerna Juarez. He said their mission was to ensure the success of a series of operations in Honduras that would unleash a popular uprising that the Honduran Government would find impossible to control.

Solorzano said that their goal was to create the necessary conditions prior to these incidents by directing an uprising aimed at neutralizing the Honduran Armed Forces, thus paving the way for the Honduran Communist Party and supporting its quest for power.

The mission that the Nicaraguan officer and his two Nicaraguan comrades were to carry out in Honduras was named "Countercoup," and it was to be supported by other military teams. The mission involved the assasinations of President Jose Azcona Hoyo, Rafael Leonardo Callejas, and Carlos Flores Facusse, the traditional parties' presidential candidates, and the execution of Msgr Hector Enrique Santos, top leader of the Honduran Catholic Church. According to the deserting officer, these desertions were planned by the Sandinist regime and were to take place in June or July.

Solorzano disclosed that the mission was based on Nicaragua's experiences with the assasination of Pedro Joaquin Chamorro, a historic error by the Somozist regime, and the assasination of Msgr Oscar Arnulfo Romero in El Salvador. The mission was intended to evoke a popular reaction against the government and the Armed Forces.

Solorzano said his group was instructed to watch and follow Msgr Hector Enrique Santos to study the possibility of executing him. He added that his bosses, Borge and Cerna, felt that Msgr Santos' assasination would spark the fires of confusion and chaos among the people and strengthen the left-wing fronts.

They were given a similar mission, Solorzano said, regarding the presidential candidates of the traditional Liberal and National Parties, Carlos Flores Facusse and Rafael Leonardo Callejas, one of whom they planned to execute.

Solorzano observed that the purpose of eliminating one of the politicians was to create conditions so that the subversive groups operating in the country could focus on a series of terrorist activities while encouraging the traditional political parties to adopt violent attitudes against the government in order to destabilize it.

The Sandinist agents were instructed to do the same with President Jose Azcona Hoyo. Solorzano said: "I was given this assignment because I was the group's leader. We watched and followed the president."

Solorzano explained further: "I felt, after watching them, that the first three [as published]—Callejas and Flores Facusse—could be executed because they did not have bodyguards."

When asked where the three politicians and the clergyman would be executed, Solorzano said that the 9 months he had spent in Honduras were enough for him to learn every inch of the country: "For example, we observed Msgr Santos at the cathedral itself, at the Central Park, at the Catholic bookstore, at the Clamer movie theater, and at a restaurant. I cannot remember the name of the restaraunt, but my comrades and I ate there in order to inspect the premises."

On the alleged execution plan for Rafael Leonardo Callejas, the officer said that he had chosen the El Obelisco park in Comayaguela and that in Carlos Flores Facusse's case, the appropriate place was in front of the newspaper LA TRIBUNA, because he frequently visits the newspaper.

On the execution of President Azcona Hoyo, Solorzano said: "I decided to cancel the execution plans because Azcona is always accompanied by bodyguards."

He asserted that after accomplishing these plans, the leftist groups in the country were to carry out a number of terrorist attacks in cooperation and coordination with the mass organizations.

He asserted that these mass organizations get advice from the Nicaraguan Embassy in Tegucigalpa and that they would be responsible for carrying out a number of acts of sabotage across the country to undermine the Honduran economy. They would also carry out a psychological campaign among the people to make them believe that the Armed Forces were to blame for these activities.

When he was asked why he had revealed the plan, the Nicaraguan officer said he had a thousand reasons to do so, such as the desertion of his companions in May and the constant desertion of high-ranking EPS officers. Also, he said that he did not want to continue being involved in activities against mankind and that he is convinced that Marxism-Leninism is not the solution to the people's problems, much less to those of the workers.

Another reason is the moral deterioration of the Sandinist leaders, he said, citing Nicaraguan Ambassador to Honduras Francisco Lacayo Paragon as an example. The defector asserted: I know him. We were friends but not any more because, on orders from higher authorities and also at his request, I kidnapped his children so he could take them along on his first diplomatic mission for the Sandinist regime. Lacayo abandoned his wife, who is the mother of those children, to marry Adilla, who is the lover of Commander Humberto Ortega and who had a daughter with Ortega.

The military defector asserted that there are illegal Nicaraguan security officers and agents in Honduras besides the many who have legal status and work at the Nicaraguan Embassy. He said that because of the current problems, the Sandinist government attaches top priority to Honduras.

He said that the "illegals" arrive here fully trained and with instructions to contact other persons who have received political and military training in Nicaragua, Cuba, and the communist countries to work in coordination with them and to find out what military plans they have for Honduras.

He disclosed that when Lenin Cerna was Nicaraguan ambassador to Honduras following the victory of the revolution, all operations were directed and financed through the Nicaraguan Embassy. However, he added, Cerna's activities were detected by the Honduran intelligence and security services in 1980, and so the Sandinist government decided that these activities against Honduras' democracy should be directed from Managua.

He said that before he left his country, he learned there is a well-organized infrastructure in Honduras that is financed by the Nicaraguan Embassy. He also claimed that a man who uses the alias "Leonel" is the liaison for the officers working in Honduras. "Leonel" gives them money and gives false documents to the agents who come to operate in Honduras.

When Solorzano Martinez arrived in Honduras in August 1988, "Leonel" gave him ID card No 03-566-00033 from the National Register of Persons issued to one Jose David Flores in Comayagua on 22 April 1988 and expiring in June 1988.

During their stay in Honduras, Solorzano and his two companions lived in Tegucigalpa and Comayaguela and received $2,500 monthly from their liaison for expenses.

Asked if the Sandinist government had anything to do with the assassination of General Gustavo Alvarez Martinez, former Honduran Armed Forces commander in chief, he said: "These are the facts: The operation we came to carry out here was called "Countercoup." Alvarez Martinez cooperated with the counterrevolution. He planned the invasion of Managua. He said he could seize Managua in a short time. The FSLN Directorate has all this information."

"Therefore, it was logical for Alvarez Martinez to be opposed to the Sandinists even if he left the Armed Forces. He was never going to support the Sandinist movement's interests, so this execution was ordered in Managua. To the Sandinist government, Alvarez Martinez was a piece of trash. That is why he was targeted by the FSLN. He was the regime's enemy even though he had left the Armed Forces, so the execution makes sense."

A newsman asked the alleged officer if there are any links between Sandinist security officers and Honduran Armed Forces officers. Solorzano answered "I cannot say that," so the question was rephrased: "Is there a possibility?" Solorzano answered: "You know that in insurgency and counterinsurgency there is a war of intelligence and counterintelligence, and just as the Honduran Armed Forces may have some people in Nicaragua, the Sandinists may have some here."

Nicaragua

Cuban Doctor Defects, Flees to Costa Rica

PA2806174789 Managua Radio Corporacion in Spanish 1200 GMT 28 Jun 89

[Text] A Cuban doctor, Silvio Alfonso Gonzalez, who was serving in Nicaragua, has fled to Costa Rica.

The doctor told newsmen in Costa Rica that he is an internationalist and military man. He explained that he had been in Nicaragua 4 years ago and that the situation now is not comparable to what it was then. Four years ago, one could find anything one needed, though perhaps with some difficulty, he said. One could get anything, but now there is nothing, not even if you have the money, he added.

Gonzalez said there is alarm among the Cuban internationalist officers in Nicaragua because of the events surrounding the arrest and indictment of Division General Arnaldo Ochoa. When the newsmen asked if he thought there would be more desertions, Gonzalez said he could neither confirm nor deny anything.

Ortega Dismisses EPS Defector as 'Crazy'

PA2806230689 Panama City ACAN in Spanish 2125 GMT 28 Jun 89

[Text] Villa Carlos Fonseca (Nicaragua), 28 Jun (ACAN-EFE)—Today, Nicaraguan President Daniel Ortega described an alleged Sandinist People's Army [EPS] spy as "crazy." Yesterday, the spy said, after defecting to Honduras, that he was given a mission to kill Honduran President Jose Azcona.

Orlando Adan Solorzano Martinez claimed to belong to Sandinist military intelligence groups operating in Honduras. He explained that together with two other Nicaraguan officers, his plans included killing Tegucigalpa Archbishop Hector Enrique Santos and presidential candidates Carlos Roberto Flores Facusse and Rafael Leonardo Callejas.

The alleged EPS defector turned himself in to Honduran authorities Tuesday in San Pedro Sula, 240 km north of Tegucigalpa, at which time he also accused the Managua government of training the Salvadoran guerrillas. President Ortega said: "I do not believe that Solorzano is being manipulated by the Honduran or the U.S. Governments," and therefore the defector captain "must be crazy."

During a cremony to deliver land deeds to peasants in Carlos Fonseca village, 41 km from Managua, Ortega said that Solorzano's statement reflects "a sick mind," adding that "no serious government should pay any attention to him." Orlando Solorzano said that he arrived in Honduras in August 1988, and has remained in the country with a document issued by the National Registry identifying him as a Honduran citizen.

Panama

ADOC's Ford Interviewed on Dialogue With FDP

PA2806172889 Panama City Circuito RPC Television in Spanish 2300 GMT 27 Jun 89

[Interview with Guillermo Ford, former second vice presidential candidate of the Civic Democratic Opposition Alliance, by unidentified reporter; date and place not given—recorded]

[Text] [Ford] We are waiting for the OAS to respond to our request that the OAS mission visit Panama to enable us—through strict adherence to the framework approved

by the OAS during its latest meeting [of foreign ministers] on 17 May—to lay the groundwork to draw up the agenda, to begin the dialogue, to achieve—in a very brief time span—national reconciliation, and to establish, once and for all, the terms under which power will be transferred on 1 September.

[Reporter] Does the Civic Democratic Opposition Alliance [ADOC] have any specific list of topics to include on the agenda for this dialogue?

[Ford] No, we do not have a specific agenda yet. We have publicly announced the topics we will raise, which cannot be regarded as preconditions. We have announced them as matters we will definitely discuss because they represent the will of the Panamanian people. In the first communique released by ADOC, we invited the members of the Panama Defense Forces [FDP] to do likewise and to announce what matters they would be prepared to discuss.

[Reporter] Would ADOC agree to hold this dialogue with the FDP without General Noriega's presence?

[Ford] Every negotiation involves various mechanisms, various levels. This would be tantamount to our saying that [former ADOC presidential candidate Guillermo] Endara would not represent the ADOC. It seems to me that if there is a real willigness to transfer power—which at this moment depends on the FDP—Gen Noriega should have no objection to talking face to face, looking each other in the eye, and telling each other the truth.

The problem is that sometimes the sides have many prejudices and feel that one side wants to harm the other. I do not think the intention is to harm anybody. The question here is to solve the problem in a straightforward manner, without capitulations, and with mutual respect.

Argentina

Menem, Ministers Discuss Future Policy

PY2806165089 Buenos Aires TELAM in Spanish 1101 GMT 28 Jun 89

[Text] Buenos Aires, 28 Jun (TELAM)—President-elect Carlos Menem has stated that "it is essential to keep in mind that Argentina is going through its worst time in history and that it is sometimes necessary to make personal sacrifices." He added: "It is essential to save foreign currency and our resources, because they are in short supply."

Menem made these remarks last night during the "Tiempo Nuevo" program, which is broadcast over channel 2. During this program, Menem and his future ministers outlined the guidelines of the policies they will implement in the various ministries beginning 8 July, the date set for Menem's inauguration. The program was broadcast simultaneously from Buenos Aires and La Rioja.

Economy Minister-designate Miguel Roig stated that it is essential "to have a stable currency, to dismantle the financial structure that has in no way promoted production," and to establish "a high dollar exchange rate that will allow our products to compete effectively on the international market."

Roig noted that it is "an inevitable necessity" for the economy to have "realistic prices." He said: "There are a number of prices that are unrealistic, such as the utility rates." He added that "what is saved in utility rates is ultimately absorbed by taxes that are generating inflation."

Roig emphasized "a soft program cannot be implemented under the present circumstances" and added that structural changes "must be based on a program that has some truly inflexible conditions."

One of those conditions, he said, is "that realistic prices be set up in an effort to reduce the monstrous size of a government that should withdraw from those sectors whose development it can no longer finance."

"Some people are going to be hit hard," Roig said, "but we must reverse the prevailing mentality in this financial system that tends to promote speculation. The Central Bank can no longer finance the government, but it must again regulate a stable currency."

Roig was accompanied by Julio Guillan, secretary general of the union of telephone workers, who commented on the proposed transformation of the National Telecommunications Enterprise [ENTEL] by its future trustee, Maria Julia Alsogaray. Guillan said: "Investments are now essential to rebuild the government's finances." He added: "I hope to be able to treat Maria Julia as another union member. She embodies a credibility factor for both domestic and foreign economic interests."

Guillan added: "The strength we draw from our experience has enabled us to understand that the need for national unity, which Menem has been promoting, is above our disagreements."

One of the television hosts asked Menem about his opinion of Saul Ubaldini, secretary general of the General Confederation of Labor [CGT]. Menem said: "Ubaldini is a great friend and a brilliant union leader. We have no problems with him. There may have been some misunderstandings, but he continues to lead the CGT and we will continue to hold talks with him." Menem reiterated that he had offered him a foreign diplomatic post.

Defense Minister-designate Italo Luder also made some remarks. He said that "the people are not adequately informed; they believe that the issue concerning the Armed Forces is limited to the antisubversive struggle and to the Army's internal conflict." He added: "It is much broader than that."

Luder stated that the Armed Forces "must understand once and for all that there is a now a national awareness that will no longer tolerate military actions designed to disrupt institutional order."

"We must get to the bottom of this problem," Luder said, "by promoting discipline within the Armed Forces, which must be subordinated to the government to fulfill their specific functions."

Education and Justice Minister-designate Antonio Salonia made the following statement: "I am not a man of the church, although I am Catholic." He added: "Any action in the field of education must take into account the entire Argentine nation. No one can ignore, however, the efforts made by the Catholic Church to promote education."

Salonia added: "We seek to bring modern pedagogical techniques into our educational system and to link education to our productive revolution, which is not merely an economic revolution, but which requires the participation of all society."

Menem then reaffirmed that "we will be constantly taking actions to address all of our problems. They will be important actions that will stem from the vote of confidence we have received from both the national and international community."

Menem reiterated that "this is a terminal crisis." He added: "Our government will be inheriting a truly ghastly situation. Nothing has been spared. I do not want to be apocalyptic, but our situation somehow resembles a true apocalypse. We must rebuild the Argentine Republic."

Foreign Minister-designate Domingo Cavallo said that Argentine foreign policy "will have to help solve our country's domestic problems." He said he will implement "an austere policy that will be devoid of rhetoric. We will promote discussions and negotiations aimed at solving the Argentine people's daily problems."

Cavallo added that his administration will be "realistic" and noted that "at present we have a very bad economic image."

Labor Minister-desingate Jorge Triaca and Health and Social Action Minister-designate Julio Corzo also attended the televised program. They made, however, only very brief remarks, due to the limited time allotted for the program.

Interior Minister-Designate on Military Trials

PY2806210589 Buenos Aires Domestic Service in Spanish 1600 GMT 28 Jun 89

[Text] Interior Minister-designate Eduardo Bauza has said that he would agree to pardon the military officers who are being tried for human rights violations if this were a political decision. He added, however, that he would rather resort to other legal measures like the per-saltum, for example.

Mendoza Deputy Eduardo Bauza, who will be the interior minister during Menem's Administration, said this morning:

[Begin recording] I believe that it is most important to ensure social harmony. Doctor Menem has repeatedly said that he will find solutions to the military crisis. This issue is in the new president's agenda and will be discussed with the military ministers.

(?In this interview I was asked about) how I would personally react if the president pardoned the military men who are being tried: I would support him entirely. [Passage indistinct] we cannot (?pardon) the commanders who have already been sentenced. Each case would have to be studied separately. The per-saltum measure is legal measure that consists of an analysis by the court of each individual case. Another measure is the so-called amnesty, which is a general rule that would modify sentences.

I believe that this is why Dr Menem will analyze the (?permanent) rights of the military sector... [end recording]

Let us point out that this morning Bauza also said that his hands will not tremble if he has to adopt firm decisions to prevent violent acts such as those that occurred last May. Bauza said that if the Menem administration solves the problems that have caused these rebellions, they will not occur during this term in office.

State of Siege Lifted, All Detainees Released

PY2806140289 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1218 GMT 28 Jun 89

[Excerpt] Buenos Aires, 28 Jun (NA)—Interior Minister Juan Carlos Pugliese has reported that no one detained as a result of the state of siege remains in detention at the disposal of the executive branch. The state of siege was lifted last night.

During a news conference last night at the ministry, Pugliese announced the lifting of the state of siege, which had been implemented on 29 May 1989 due to the wave of supermarket and shop lootings in several parts of the country.

He indicated that 57 persons were detained during the state of siege and that the last ones were released on Tuesday.

He also stated that, of the 57 persons who were detained, 3 were jailed in Buenos Aires City, 8 in Tucuman, 18 in Neuquen, 34 in Santa Fe, and 1 in Corrientes [numbers as received]. [passage omitted]

Austral Devaluation Tops 1,700 Percent in 1989

PY2806180189 Buenos Aires Domestic Service in Spanish 1600 GMT 28 Jun 89

[Text] The Central Bank today devaluated the austral, for the eighth time in June, this time by 4.17 percent. June's accumulated devaluation stands at 42.86 percent, and the official dollar rate is 250 australes for buying and 252 australes for selling.

The accumulated devaluation of the austral in the period January-June 1989 totals 1,782.53 percent.

Bolivia

Minister Says Calm Returning to Santa Ana

PY2806145089 Madrid EFE in Spanish 0247 GMT 28 Jun 89

[Text] La Paz, 27 Jun (EFE)—Bolivian Interior Minister Eduardo Perez Beltran today stated that police and the Bolivian Navy have the situation under control at Santa Ana del Yacuma, 979 km northeast of La Paz, after a confrontation between groups protecting drug trafficking and antidrug organizations.

The action against drug trafficking in that area took place on 22 June and resulted in five deaths, several wounded persons, and several detentions. The operation was to arrest Hugo Rivero Villavicencio, an alleged drug trafficker.

That arrest was not made due to the interference of the area's inhabitants, some of whom were killed and wounded, according to the authorities.

Perez Beltran stressed that the government now controls Santa Ana, where, according to press reports, the drug traffickers had brought weapons for the population in 25 small planes after the bloody incident.

The minister stated recently that groups of drug traffickers, under the command of foreigners and with the protection of sectors of the civilian population, had tried to establish free zones in several parts of eastern Bolivia. The minister warned that this would not be allowed.

Perez Beltran emphasized that calm is slowly returning to the region after the government took some disciplinary measures, such as firing Deputy Prefect Luis Ibanez Hurtado.

According to certain reports, Ibanez Hurtado had a friendly chat with the fugitive Hugo Rivero Villavicencio 6 hours after the bloody incident.

Radio, Television Station Resumes Activities

PY2806190989 La Paz EL DIARIO in Spanish 20 Jun 89 p 3

[Excerpts] The "Radio Television Popular (RTP)" [Popular Television Radio] system, which is presided over by Carlos Palenque, yesterday resumed its activities after having been closed for 1 year on orders from the General Telecommunications Directorate for violating national laws. [passage omitted]

The Directorate ordered the closure of the system because it had broadcast drug-trafficker Roberto Suarez Gomez' comments, which the government believed harmful to national dignity. The government decision created controversy in the judicial branch, in Congress, and among the Bolivian people. [passage omitted]